



Cornerstone

The future. Assured
RC 163170



ANNUAL **REPORT** 2020

SUCCESS



Cornerstone
The future. Assured



Children Education Fund

Enjoy flexible savings plan for their education
Secure your children's future TODAY!

Get the Cornerstone
Insurance Mobile App
on your Smartphone



NAICOM/CC/ADV/2021/4326

Call us

01 280 6500 | 0700CORNERSTONE

CORPORATE OFFICE

21, Water Corporation Drive,
Off Ligali Ayorinde Street,
Victoria Island, Lagos

enquiries@cornerstone.com.ng
www.cornerstone.com.ng

CONTENTS

Page

Notice of Annual General Meeting	2
Corporate Information	4
Consolidated Results at a Glance	6
Chairman's Statement	7
Directors' Report	15
Corporate Governance Report	23
2020 Board Evaluation Report	37
Risk Management Declaration	38
Report of the Statutory Audit Committee	39
Statement of Directors' Responsibilities in Relation to Financial Statements	40
Statement of Corporate Responsibility	41
Independent Auditor's Report	42
Company Information and Accounting Policies	47
Critical Accounting Estimates and Judgement	70
Consolidated and Separate Statements of Financial Position	74
Consolidated and Separate Statements of Profit or Loss and other Comprehensive Income	75
Consolidated and Separate Statements of Changes in Equity	76
Consolidated and Separate Statements of Cash Flows	78
Life Business Revenue Account	79
Life Deposit Administration Revenue Account	80
Non-life Business Revenue Account	81
Segment Information	82
Notes to the Financial Statements	83
Other National Disclosures:	137
Value Added Statements	138
Financial Summary	140
Management List	143
Returned Certificates	144
Unclaimed Dividends List	146
Share Capital History	148
Dividend History	149
Proxy Form	150

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 29th Annual General Meeting (AGM) of Cornerstone Insurance PLC (the Company) will hold at the Agip Recital Foyer, MUSON Centre, Onikan, Lagos on Tuesday, 27th July 2021 at 1:00pm to transact the following businesses:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31st December 2020, together with the Reports of the Directors, Auditors and Audit Committee thereon.
2. To elect and re-elect Directors.
3. To appoint External Auditor.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To disclose the remuneration of Managers.
6. To elect Shareholders' representatives to the Audit Committee.

SPECIAL BUSINESS

7. To consider and if thought fit, pass the following resolution as an ordinary resolution:
7.1. "That in compliance with the rules of the Nigerian Exchange Limited governing transactions with related parties or interested parties, the General Mandate given to the Company to enter into recurrent transactions with related parties for the Company's day-to-day operations, including the procurement of goods and services, on normal commercial terms, be and is hereby renewed."

NOTES

1. PROXY

- 1.1. Due to the restriction on large gatherings in Nigeria because of the Covid-19 pandemic, and to ensure safety at the 29th AGM in accordance with the guidelines issued by the Presidential Task Force on Covid-19 and the Corporate Affairs Commission, members are hereby notified that attendance at the AGM shall be by proxy.
- 1.2. A member who is entitled to attend and vote at the AGM may appoint a proxy to attend and vote in his/her/its stead. A proxy need not be a member of the Company. However, members are encouraged to select from the list below, a proxy to attend and vote in their stead at the AGM:
 1. Dr. Anthony Omoniyi Omojola
 2. Mr. Matthew Akinlade
 3. Chief Timothy Adesiyani
 4. Mr. Gafar Erinfolami
 5. Mr. Awon Nonah
 6. Mr. Henry Olayemi
 7. Mr. Adeleke Oladimeji
 8. Mr. Chibuzor Eke
 9. Mr. Steve Iwenjora
- 1.3. A proxy form is attached to the Annual Report and can also be found on the Company's website www.cornerstone.com.ng. Kindly email the completed proxy form to either the Company Secretary, PAC Solicitors, via chidionwubere@pacsolicitors.com and ifeoluwaibosi@pacsolicitors.com, or the Registrars, Lighthouse Registrars Limited via lighthouseregistrars@lighthouse.com.ng; or send the proxy form to the office of the Company Secretary, 16, Kofo Abayomi Street, Victoria Island, Lagos or the office of the Registrars, 2nd Floor, 39, Adeola Odeku Street, Victoria Island, Lagos, not later than one (1) week before the date of the AGM to enable the company to stamp the proxy form and lodge same with the Registrars. All instruments of proxy shall be at the Company's instance in line with the Corporate Affairs Commission's guidelines.

2. CLOSURE OF REGISTER OF MEMBERS AND TRANSFER BOOKS

The Register of Members and Transfer Books of the Company will be closed from Wednesday 14th July 2021 to Friday 16th July 2021 (both days inclusive) to enable the Registrars update the Register of Members.

3. NOMINATIONS TO THE AUDIT COMMITTEE

- 3.1. Pursuant to Section 404 (6) of the Companies and Allied Matters Act 2020, any member may nominate another member for appointment to the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one (21) days before the AGM.
- 3.2. The Companies and Allied Matters Act 2020 and the Code of Corporate Governance for Public Companies issued by the Securities and Exchange Commission require members of the Audit Committee to be financially literate and able to read financial statements. We, therefore, request that all nominations to the Audit Committee should be accompanied by the Curriculum Vitae of the Nominees.

NOTICE OF ANNUAL GENERAL MEETING

4. UNCLAIMED SHARE CERTIFICATES AND DIVIDEND WARRANTS

A significant quantity of Share Certificates and Dividend Warrants have been returned to the Registrars as unclaimed. Some Dividend Warrants have neither been presented to the Bank for payment nor to the Registrars for revalidation.

Affected members are by this Notice advised to please contact the Company's Registrars, Lighthouse Registrars Limited at the address or phone number stated in paragraph 1.3.

5. E-DIVIDEND MANDATE

Shareholders who need to update their records and relevant bank accounts are urged to complete the e-Dividend Activation Form which can be detached from the Annual Report and is available on the Company's website www.cornerstone.com.ng. The duly completed form should be returned to the Registrars, Lighthouse Registrars Limited via lighthouseregistrars@lighthouse.com.ng or sent to the office of the Registrars, 2nd Floor, 39, Adeola Odeku Street, Victoria Island, Lagos.

6. ELECTION AND RE-ELECTION OF DIRECTORS

6.1 Election of Director

To elect Dr. Ogechi Adeola who was appointed as an Independent Non-Executive Director by the Board since the last Annual General Meeting, subject to approval by the National Insurance Commission. Her profile is contained in the Annual Report and is also available on the Company's website www.cornerstone.com.ng.

6.2 Re-election of Directors

Pursuant to Section 285 (1) of the Companies and Allied Matters Act 2020, the Directors to retire by rotation are Mr. Ganiyu Musa, Mr. Ekwunife Okoli and Mr. Chidiebere Nwokeocha. They have indicated their willingness to stay in office and offer themselves for re-election. Their profiles are contained in the Annual Report and are also available on the Company's website www.cornerstone.com.ng.

7. RIGHT OF SECURITIES' HOLDERS TO ASK QUESTIONS

Pursuant to Rule 19.3(b) of the Issuers Rules in the Rulebook of The Nigerian Stock Exchange, 2015, it is the right of members of the Company to ask questions not only at the AGM but also in writing, prior to the AGM. We urge that such questions should be emailed to the Company Secretary via chidionwubere@pacsolicitors.com and ifeoluwagbosi@pacsolicitors.com, not later than one (1) week before the date of AGM.

8. LIVE STREAMING OF THE ANNUAL GENERAL MEETING

The AGM will be streamed live via the Company's website. This will enable members and other stakeholders who will not attend the meeting physically to observe the proceedings. Please log on to www.cornerstone.com.ng for the live streaming.

9. WEBSITE

A copy of this Notice and other information relating to the AGM can be accessed via the Company's website: www.cornerstone.com.ng.

10. E-ANNUAL REPORT

To improve the efficiency and delivery of the Annual Report, an electronic copy is available for download on the Company's website: www.cornerstone.com.ng. To receive a copy via email, kindly send an email to brand@cornerstone.com.ng and legal@cornerstone.com.ng.

Dated this 18th day of June 2021

By Order Of the Board



Chidinma Onwubere
PAC Solicitors (Company Secretary)
FRC/2015/NBA/00000011359
16, Kofo Abayomi Street Victoria Island, Lagos
Tel: 09099298887, 08063 480070
Website: www.pacsolicitors.com

CORPORATE INFORMATION

Directors	Mr. Segun Adebajji	Chairman
	Mr. Ganiyu Musa	Group Managing Director/CEO
	Mr. Dominic Ichaba (retired effective 31/03/2020)	Non-Executive Director
	Mr. Steve Iwenjora	Non-Executive Director
	Mr. Anthony Egbuna	Non-Executive Director
	Mr. Ekwunife Okoli	Independent Non-Executive Director
	Mrs. Elizabeth Amadiume	Independent Non-Executive Director
	Dr. Ogechi Adeola (appointed 23/02/2021, subject to approval by the National Insurance Commission)	Independent Non-Executive Director
	Mr. Tokunbo Bello	Executive Director
	Mr. Chidiebere Nwokeocha	Executive Director
Company Secretary	PAC Solicitors 16, Kofo Abayomi Street Victoria Island Lagos Tel: 09099298887, 08063480070 Website: www.pacsolicitors.com	
Registered Office	Cornerstone Insurance Plc 136, Lewis Street Lagos Tel: 01-2806500 Website: www.cornerstone.com.ng	
Corporate Head Office	Cornerstone Insurance Plc 21, Water Corporation Drive Victoria Island Lagos Tel: 01-2806500 Website: www.cornerstone.com.ng E-mail: enquiries@cornerstone.com.ng	
Registrars	Lighthouse Registrars Limited 2nd Floor, 39, Adeola Odeku Street Victoria Island Lagos Tel: 01-2718910 Website: www.lighthousecapital.ng	
Auditor	KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street Victoria Island P.M.B 40014, Falomo Ikoyi, Lagos Website: www.kpmg.com/ng	

CORPORATE INFORMATION

Bankers	<p>Access Bank Plc First Bank of Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank Plc Heritage Bank Plc Skye Bank Plc Stanbic IBTC Bank Plc Standard Chartered Bank Limited Union Bank Plc United Bank for Africa Plc Wema Bank Plc Zenith Bank Plc</p>
Actuary	<p>O & A Hedge Actuarial Consulting Suite 21, 1st Floor, Motorways Center Alausa, Ikeja, Lagos.</p>
Lagos Branches	<p>1. OBALENDE Cornerstone House, 136, Lewis Street Obalende, Lagos State Tel: 01-2806500</p> <p>2. ONIRU Cornerstone Complex, 21, Water Corporation Road, Off Ligali Ayorinde Street, Victoria Island, Lagos. Tel: 01-2806500</p> <p>3. APAPA Polysonic Mall (2nd Floor), 1B, Point Road, Apapa, Lagos State. Tel: 01-2806500</p> <p>4. IKEJA Swiss Guard House, 6, Adeniyi Jones Avenue, (Opposite Wahum) Ikeja, Lagos State Tel: 01-2806500</p> <p>5 YABA 191, Herbert Macaulay Street Opp. Yaba LGA Secretariat, Yaba, Lagos State Tel: 01-2806500</p>
Other Branches	<p>1. IBADAN 67, Aboderin Layout, Oni & Sons Area, Ring Road, Ibadan. Tel: 08029094320</p> <p>2. PORT-HARCOURT 180, Aba Road, Port-Harcourt, Rivers State. Tel: 01-2806500</p> <p>3. FCT 34, Gana Street, Maitama, Abuja. Tel: 08035026956</p> <p>4. KANO 103, Hadejia Road, Fagge, Kano. Tel: 07033438119</p> <p>5. WARRI Km 4, Refinery Road, Thomas House, Ekpan, Warri, Delta State. Tel: 08033889679</p>
RC No	163170

CONSOLIDATED RESULTS AT A GLANCE

**In Thousands of Naira
As at 31 December**

	2020	2019	Change	%
Financial Position				
Cash and cash equivalents	11,662,703	12,649,384	(986,681)	(8)
Financial assets	18,402,727	12,661,308	5,741,419	45
Trade receivables	154,580	60,183	94,397	157
Other receivables and prepayments	612,224	405,460	206,764	51
Reinsurance assets	7,719,422	4,732,524	2,986,898	63
Deferred acquisition cost	567,596	257,866	309,730	120
Investment in joint venture	271,295	554,305	(283,010)	(51)
Deferred tax assets	838,000	338,923	499,077	147
Investment property	602,000	560,000	42,000	8
Property and equipment	1,780,019	1,904,212	(124,193)	(7)
Intangible assets	17,648	29,364	(11,716)	(40)
Statutory deposit	1,200,000	1,000,000	200,000	20
Total assets	43,828,214	35,153,529	8,674,685	25
Investment contract liabilities	3,674,861	3,406,701	268,160	8
Insurance contract liabilities	18,746,225	11,730,130	7,016,095	60
Trade payables	1,619,695	3,591,779	(1,972,084)	(55)
Other payables and accruals	842,765	801,176	41,589	5
Deferred commission income	770,626	265,073	505,553	191
Income tax payable	445,799	476,717	(30,918)	(6)
Deferred tax liabilities	-	-	-	-
Employee benefit obligations	3,793	3,577	216	6
Total liabilities	26,103,764	20,275,153	5,828,611	29
Share capital	9,083,196	7,364,754	1,718,442	23.33
Share premium	183,165	1,947,166	(1,764,002)	(90.59)
Treasury shares	(58,440)	(48,175)	(10,265)	21.31
AFS Fair value reserve	1,132,194	426,306	705,888	166
Contingency reserve	4,017,271	3,545,360	471,911	13
Retained earnings	3,101,415	1,392,250	1,709,165	123
Shareholders' funds	17,458,800	14,627,661	2,831,139	19
Non-controlling interest	265,650	250,715	14,935	6
Total equity	17,724,450	14,878,376	2,846,074	19
Total liabilities and equity	43,828,214	35,153,529	8,674,685	25

Profit or Loss and Other Comprehensive Income

In Thousands of Naira

For the year ended 31 December

	2020	2019 **	Change	%
Gross premium written	17,539,219	13,058,899	4,480,320	34
Gross premium income	15,718,711	13,296,136	2,422,575	18
Net premium income	5,603,018	6,588,930	(985,912)	(15)
Other income	6,165,281	6,178,455	(13,174)	(0)
Total income	11,768,299	12,767,385	(999,086)	(8)
Claim expenses (net)	(3,955,271)	(3,068,868)	(886,403)	29
Underwriting expenses	(2,176,487)	(1,991,558)	(184,929)	9
Other expenses	(3,869,449)	(3,693,217)	(176,232)	5
Total benefits, claims and other expenses	(10,001,207)	(8,753,643)	(1,247,564)	14
Profit/ (Loss) before tax	1,767,092	4,013,742	(2,246,650)	(56)
Profit/ (Loss) for the year	2,194,856	4,108,923	(1,914,067)	(47)

** Comparative information for the profit or loss and other comprehensive income has been re-presented to separately disclose the profit or loss from discontinued operation.



Cornerstone
The future. Assured



CHAIRMAN'S **STATEMENT**

CHAIRMAN'S STATEMENT

Despite the challenging environment, the Gross Premium Written of Cornerstone Insurance and its subsidiaries ("Cornerstone Group" or "the Group") for the year under review was N17.53 billion, representing an increase of 34% over the previous year.



MR. SEGUN ADEBANJI
Group Chairman

Distinguished shareholders, members of the Board of Directors, invited guests, ladies and gentlemen. I welcome you all to the 29th Annual General Meeting of our Company, Cornerstone Insurance Plc. (Cornerstone or "the Company") and I hereby present to you the Annual Report and Accounts for the financial year ended 31st December 2020 as well as an overview of the major developments that influenced our operations and financial results during the period.

The Global Economy

The ramifications of the novel Coronavirus (COVID-19) pandemic and ensuing governmental responses were felt across the globe. In an unprecedented year, most countries across the world implemented partial or full lockdown measures and movement restrictions in a bid to limit the spread of the virus.

Besides the unfortunate human toll of the virus, economic activity was also greatly affected. The IMF estimates that the global economic contraction was -3.3 percent and could have been three times as large were it not for much needed policy support and interventions by governments in many countries. It is also estimated that close to 95 million more people fell below the threshold of extreme poverty as a result of the pandemic and lowered economic activity. Hardest hit were some of Nigeria's main trade partners such as Brazil, China, India, U.S. and the European Union, all of whom witnessed multiple waves of infections and hospitalizations.

Despite ominous predictions based on weak overall healthcare infrastructure, the African populace was largely spared the full brunt of the effects of the virus. The continent did however see a

CHAIRMAN'S STATEMENT

contraction in GDP of -2.1 percent as economies heavily dependent on tourism (Egypt, Morocco) and crude oil exports (Nigeria, Angola) faced foreign exchange shortfalls.

Macroeconomic Review

Crude oil prices, which were as high as US\$66 per barrel at the start of the year, plunged to less than US\$20 per barrel by the start of the second quarter on the back of reduced global economic activity. The economic outlook was dire to the point that the oil and gas industry witnessed a historic fall of benchmark oil futures into negative territory.

Gross Domestic Product (GDP) statistics released by the Nigeria Bureau of Statistics (NBS) indicated that the Nigerian economy grew by 1.87 percent in Q1 2020 but witnessed two consecutive quarterly contractions of -6.10 percent and -3.62 percent in Q2 and Q3 2020 respectively. The economy ended the year with a slight growth of 0.11 percent in Q4 2020. For the full year, the annual growth of real GDP declined from 2.27 percent recorded in the previous year to -1.92 percent.

As a result of dwindling foreign exchange revenue, external reserves trended downwards for most of the year; the sharpest drop again coinciding with the start of pandemic lockdowns and restrictions in April. The Nation's external reserves position stood at US\$38.53 billion at the start of the year and US\$35.37 as at December. The decline can also be attributed to the interventions by the Central Bank of Nigeria (CBN) in the forex market in a bid to stabilize the Naira/US Dollar exchange rate.

The apex bank restricted local investors from purchasing Open Market Operation Bills and also implemented a policy to shore up foreign portfolio inflows. As a result, Treasury Bill rates dropped sharply during the year. At the last Nigerian Treasury Bill auction of the year, the 91-day bill and 364-day bill sold at 0.35% and 1.21% respectively; these were some of the lowest rates in the history of the auction. During the year, the Monetary Policy Committee of the CBN also adjusted the Monetary Policy Rate downward in Q2 and Q3 amid economic disruptions caused by the pandemic.

Examining other trends in the economy, headline inflation, measured by the Consumer Price Index (CPI), trended upwards all through the year from 12.13% in January to 15.75% in December. The rise was largely due to continued clashes between farmers and cattle herdsman which ultimately drove food inflation from 14.85% in January to 19.56% at the end of the year.

The Insurance Industry

The impact of the economic situation and the pandemic on the industry was multifaceted. As the revenues and disposable incomes of corporate and individual customers alike were affected, so too were insurers' premiums. While some corporates rationalized their insurance cost alongside other expenses, some others cut out insurance altogether from their budgets.

Stagflationary forces being exerted on the economy meant that cost of claim settlement rose as the year progressed and cost of replacement parts skyrocketed. This was especially the case for insurance policies that were priced and written at the start of the year before the downturn in the second quarter.

The industry played its part in supporting the courageous health workers and frontline medical staff who were at greatest risk of contracting the virus while performing their duties. 16 insurance companies, including Cornerstone, through the Covid Intervention Scheme, provided medical and life insurance to ensure that healthcare providers had much needed peace of mind while carrying out their duties.

In the fourth quarter of the year, the country was faced with another unprecedented situation. The civil commotion and ensuing property damage and looting that stemmed out of protests against police brutality had a heavy toll on the insurance industry. It is estimated that about 2,000 insured businesses were affected by the violence in some ways. The industry as a whole has settled N4 billion claims out of N4.5 billion in respect of the #EndSARS protests.

Company Financial Performance

The global and domestic economic events of the year had significant repercussions for the financial services sub sector in Nigeria. The Board and Management of your Company however acted proactively to minimize the effects on our financial performance. Our financial performance can also be attributed to our focus on strengthening our enterprise risk management framework over the past few years.

Despite the challenging environment, the Gross Premium Written of Cornerstone Insurance and its subsidiaries ("Cornerstone Group" or "the Group") for the year under review was N17.53 billion, representing an increase of 34% over the previous year.

Premiums from life insurance grew from N3.84 billion in the previous year to N5.54 billion in 2020 and accounted for 31% of Gross Premium Written. The largest contributors to General Business Gross Premium Written were (i) Oil, Gas & Aviation, (ii) Engineering & (iii)

Personnel and other operating costs dropped by close to 7% as Management executed remote working protocols and other measures to safeguard the welfare of staff. Our investment in a robust nationwide technology infrastructure over the years ensured that normal operations were carried out unabated. Consequently, our Group ended the year with a profit before tax of N1.76 billion.



Motor classes, contributing N3.53 billion, N2.86 billion and N1.52 billion respectively.

Our investment portfolios also yielded positive performance figures, driven mainly by the effect of changes in foreign exchange rates and also from sales of foreign currency denominated assets during the year. Investment and Treasury activities contributed N3.73 billion to overall revenue.

The gross claims ratio for the year stood at 41% and has been relatively stable year on year since the Company put in place stricter risk acceptance parameters. Even though the overall ratio of claims to revenue has remained relatively stable, the effects of the Q4 2020 protests are clearly noticeable in our financial statements, as non-life gross claims incurred increased by 62% when compared with the previous year and gross claims from the fire class specifically rose by 85%, from N816 million in 2019 to N1.51 billion.

Personnel and other operating costs dropped by close to 7% as Management executed remote working protocols and other measures to safeguard the welfare of staff. Our investment in a robust nationwide technology infrastructure over the years ensured that normal operations were carried out unabated. Consequently, our Group ended the year with a profit before tax of N1.76 billion.

Outlook

As I bring my presentation to a close, on behalf of the Board of Directors, Management and Staff of Cornerstone plc, I want to extend our thanks and appreciation to the healthcare and frontline workers of Nigeria who were steadfast in the execution of their duties and who sacrificed their time with their own families so that

our nation may be saved from a deeper crisis. We also remember those individuals and their families who have been tragically affected by the outbreak. Also join me in appreciating the staff of our Company that worked tirelessly through the year to ensure that we made good progress in spite of extraordinary odds.

Many organizations and individuals have been deeply affected by both the health and economic trials the year in review posed. We may however be able to point to a silver lining, which is that the profile of insurance was elevated. Through the year, more Nigerians made enquiries about their insurance coverage and options than in any other period in the recent past.

While 2021 may not be a year for expansion, it is a year in which we are discovering new strengths and capabilities as the world embraces new ways of working and communicating through technology. Your Board therefore anticipates new opportunities for the insurance industry and for Cornerstone as we venture into this new normal.

I would also like to thank you, our esteemed shareholders, for your support and sustained interest in the growth of our Company, Cornerstone Insurance Plc.

Thank you.

SEGUNADEBANJI

Chairman, Cornerstone Insurance PLC



Cornerstone
The future. Assured

BOARD OF DIRECTORS



SEGUN ADEBANJI
Chairman



GANIYU MUSA
Group Managing Director/CEO



STEVE IWENJORA
Non – Executive Director

MR. SEGUN ADEBANJI, has over 35 years working experience in blue chip companies. Prior to joining African Capital Alliance in January 2011, he was the Executive Vice Chairman of Alvac Company Limited. He is a Fellow of both the Chartered Association of Certified Accountants and the Institute of Chartered Accountants of Nigeria.

Mr. Adebajji's working experience includes UAC and Unilever PLC London and South Africa. He has served as Financial Director of Nigerian Breweries PLC and later Managing Director, Heineken Ghana Breweries and Namibia Breweries. He is a Non-Executive Director of Nigerian Breweries PLC and Chairman, Bevpak Nigeria Limited.

*Mr. Segun Adebajji was appointed as Chairman of the Board effective 28th April, 2017.

MR. GANIYU MUSA is a highly experienced management professional with over 35 years of diversified experience in insurance, reinsurance, audit, consulting, business advisory and financial management. His professional experience started with Pannell Kerr Forster and later Arthur Andersen & Co where he trained and qualified as a Chartered Accountant and gained top quality experience in audit and financial consulting.

He subsequently worked at African Reinsurance Corporation for 19 years, holding key positions, including Director of Finance & Accounts/Chief Financial Officer and Deputy Managing Director. He played a lead role in the creation and initial supervision of the risk management function at African Reinsurance Corporation and supervised the design of the Corporation's investment guidelines and asset allocation. He was also instrumental in the preparatory work and the eventual setting up of the corporation's subsidiary in South Africa, where he subsequently served on the Board and Audit Committee as well as the Retakaful subsidiary in Cairo, Egypt.

He left Africa Re in 2011 to join African Capital Alliance (ACA), a leading Pan-African private equity firm as Insurance Sector Specialist and a Director on the Board of Cornerstone Insurance Plc. He joined Cornerstone Insurance Plc in 2012 as the Group Managing Director/CEO and he is the current Chairman of the Nigerian Insurers Association having also served as Deputy Chairman and Treasurer. In addition to Cornerstone Insurance Plc, Mr. Musa currently serves on the Board of a Pension Fund Administration company and an Oil & Gas Exploration and Producing Company. He is also the current Chairman of Council of Bureaux, ECOWAS Brown Card.

Ganiyu holds a Bachelor of Science (B.Sc. Hons.) degree in Business Administration and a Master in Banking and Finance (MBF) degree, both from the University of Lagos. He is a Fellow of the Institute of Chartered Accountants of Nigeria (FCA), having won multiple National merit awards in the qualifying professional examinations. He is also a Senior Member of the Chartered Insurance Institute of Nigeria and has achieved several professional courses in Finance, Insurance and Corporate Governance at home and abroad

MR. STEVE IWENJORA has over 17 years cognate experience in the financial services sector, spanning banking, private equity and investment management with local and international organisations. He is presently the Managing Director of CAN Fund Manager Limited, a Company under African Capital Alliance (ACA). He worked with Citi Bank and Continental Trust Bank before joining ACA in 2004. He is a Fellow of the Institute of Chartered Accountants of Nigeria and holds a Bachelors Degree in Accounting from the University of Lagos.

BOARD OF DIRECTORS



ANTHONY EGBUNA
Non-Executive Director

MR. ANTHONY EGBUNA served as a Vice President and Investment Officer at African Capital Alliance. Mr. Egbuna joined African Capital Alliance in 2009. He worked at Arthur Andersen, FSB International Bank, ProAce Consulting, and United Bank for Africa, as well as in Reynolds American, Winston Salem, and Jefferson Wells. He was one of a two-man team that led the turnaround consulting engagement at the then Federal Savings Bank.

He has more than 28 years of varied experience in financial management, banking, auditing, process improvement, strategic planning and enterprise risk management, having been exposed to financial services, oil and gas, manufacturing, consumer products and several other industries as auditor, consultant, and banker. He serves as Non-Executive Director at eTranzact International PLC.

Mr. Egbuna is a Chartered Accountant and holds an M.B.A. degree from Wake Forest University, Winston Salem and holds a first class Bachelor of Science degree in Social Sciences from the University of Ife.



EKWUNIFE OKOLI
Independent Non-Executive Director

MR. EKWUNIFE OKOLI has over 30 years consumer goods industry experience in a wide cross section of over 20 African countries including Nigeria, Ghana, Cameroun, Ethiopia, Angola and Mozambique among others.

Mr. Okoli worked with Diageo for many years and served in different capacities including as Managing Director, Guinness Ghana, Managing Director, Guinness Cameroun, Marketing Director, Guinness Nigeria PLC and Guinness Brand Director, Africa with the last 10 years as CEO of large consumer goods markets and the last 4 years as a Regional Managing Director and acquired strong FMCG commercial and Brand Marketing experience at Diageo.

He possesses significant corporate governance experience especially in difficult geographies and has held executive and non-executive board positions in various Diageo subsidiaries including Guinness Nigeria PLC, Guinness Ghana and Seychelles Breweries Limited. He is very passionate about Africa and its potential business and social opportunities and is currently the founder of Advantage Consult Limited.



ELIZABETH AMADIUME
Independent Non-Executive Director

MS. ELIZABETH AMADIUME has over 32 years working experience in all aspects of non-life insurance operations. She is a member of the Board of Directors of the African Reinsurance Corporation (South Africa) Limited. She has also served as the Director, Central Operations and Special Risks of African Reinsurance Corporation and its Regional Director of Mauritius.

Ms. Amadiume was President of the Insurance Institute of Mauritius from April 2006 to March 2009, and was a Member of the Mauritius Financial Services Consultative Council Technical Committee for Insurance from 2007 to 2008; a Member of the General Insurance Technical Committee, Kenya 2004; Member of the Joint Insurance Industry Risk Evaluation Committee, Kenya 2004; and Visiting Lecturer, College of Insurance Kenya for several years, up to 2004.

Ms. Amadiume is a Fellow of the Chartered Insurance Institute, UK and has a Master's Degree in French Language and Literature from the Voronezh State University, then USSR. She is also an alumnus of the Harvard Management and Leadership Programme.



Cornerstone
The future. Assured



OGECHI ADEOLA
Independent Non-Executive Director



TOKUNBO BELLO
Executive Director



CHIDIEBERE NWOKEOCHA
Executive Director

DR. OGECHI ADEOLA is an Associate Professor of Marketing and the Head of Department of Operations, Marketing, and Information Systems at the Lagos Business School. She holds an MBA and DBA from Manchester Business School, UK, and a law degree from the University of Nigeria. She has over 25 years of work and consulting experience, which includes 14 years in the Nigerian financial services sector, before joining academia.

She has published 12 academic books and over 100 academic and practitioner articles, conference papers, and business and management case studies. She won Best Paper Awards at international conferences for four consecutive years (2016–2019).

Dr. Adeola is a series co-editor of the Palgrave Studies of Marketing in Emerging Economies; a Visiting International Fellow at the Open University Business School, Milton Keynes, UK (2016); a 2017 Paul R. Lawrence Fellow, USA; and Guest Lecturer at the University of Ghana Business School.

She has provided strategic marketing and brand management advisory services to numerous firms. She was a member of the Alpha Team of the Centre for Global Enterprise engaged as virtual consultants for the London Taxi Company, UK, in 2015 and Texas Capital Bank, USA, in 2018. She is a Fellow of the Institute of Strategic Management, Nigeria, a Fellow of the National Institute of Marketing of Nigeria, and an Associate of the Gender, Entrepreneurship, and Social Policy Institute (GESPI), UK.

MR. TOKUNBO BELLO is a value-driven and serial problem-solver with 28 cognate years of inter-sectoral management experience which cuts across Underwriting, Reinsurance, Operations; Financial Services Consultancy and Marketing. Tokunbo is also adept at Risk Management, Corporate Governance & Compliance; and Product Development.

Prior to joining Cornerstone Group as Pioneer Managing Director of Cornerstone Life Assurance Limited in 2008, he had managed financial consultants and client portfolio at Citibank Life in the United Kingdom for 7 years. Earlier, Mr. Bello had played a significant role at St James's Place, Partnership, formerly J. Rothschild Assurance, in 1999 where, as an Associate Partner, he provided financial advice and solutions to personal and business financial needs.

He holds a Master's degree in Information Systems Management from Stirling University, Scotland, following a bachelor's degree in Biology from the Ahmadu Bello University, Zaria.

The Cornerstone's Executive Director is a Senior Member, Chartered Insurance Institute of Nigeria; member Chartered Institute of Insurance, United Kingdom and Registered Member of the Financial Services Authority, both in the United Kingdom. Tokunbo holds the Financial Planning Certificates 1, 2 and 3 and a Certificate in Mortgage Advice and Practice.

MR. CHIDIEBERE NWOKEOCHA is the Executive Director, Business Development. He has over 28 years experience in the banking and finance and oil and gas sectors. His experience spans through executive, general and branch management; corporate, commercial and retail banking; structured credits; commercial lending; merger and acquisitions, strategic planning and Insurance.

He has undergone several local and international trainings on leadership, finance, marketing, insurance and business management. These trainings include trainings at Euro money, London Business School and Institute of Management Development (IMD), Lausanne, Switzerland. Due to his strong leadership and management skills, he has received several awards both in the finance and oil and gas sectors.

He obtained his B.Eng from the University of Nigeria, Nsukka, and his M.Eng from the Ahmadu Bello University. He also holds an MBA from the ESUT Business School and is a fellow of the Institute of Chartered Accountants of Nigeria (ICAN), and a senior member of the Chartered Insurance Institute of Nigeria (CIIN).

MANAGEMENT TEAM



MUSA, GANIYU
GROUP MANAGING
DIRECTOR/CEO



BELLO, TOKUNBO
EXECUTIVE DIRECTOR,
TECHNICAL/OPERATIONS



NWOKEOCHA, CHIDIEBERE
EXECUTIVE DIRECTOR,
BUSINESS DEVELOPMENT



OLAYINKA, DAN-OLUFEMI
CHIEF TECHNOLOGY
OFFICER



NWACHUKWU, CHARLES
DIVISION HEAD,
INSTITUTIONAL BUSINESS



AMANWA, OLUWAFUNMILAYO
GROUP HEAD, TECHNICAL



OLORUNDARE, KEHINDE
CHIEF FINANCIAL OFFICER



ODUNTAN, OMODAYO
GROUP HEAD, CORPORATE
SERVICES GROUP



FOSTER-AILERU, ADEWALE
HEAD, STRATEGY, ENTERPRISE
RISK MANAGEMENT &
INVESTOR RELATIONS



OLUDE, OLUDARE
HEAD, SPECIAL RISK



LAWUYI, BABATUNDE
HEAD, PRODUCT
DEVELOPMENT &
CHANNEL INNOVATION

DIRECTORS' REPORT

for the year ended 31 December 2020

The Directors present their report on the affairs of Cornerstone Insurance Plc ("the Company") and its subsidiary companies ("the Group"), together with the consolidated and separate financial statements and the independent auditor's report for the year ended 31 December 2020.

1. Legal form and principal activity:

The Company was incorporated on 26 July 1991 as a private limited liability company and converted to a public limited liability company on 17 June 1997.

The Company's principal activity continues to be the provision of risk underwriting and related financial services to its customers. Such services include provision of life and Non-life insurance services for both corporate and individual customers.

The Company has three subsidiaries - FIN Insurance Company Limited, Cornerstone Takaful Nigeria Limited and Cornerstone Leasing & Investment Limited. FIN Insurance Company Limited is a private limited liability company incorporated in Nigeria and its primary activity is the provision of general insurance business. Cornerstone Insurance Plc acquired 96.68% equity interest in Fin Insurance Company Limited in 2015 thereby qualifying Fin Insurance Company Limited as a subsidiary. Cornerstone Takaful Nigeria Limited is a Company incorporated in Nigeria and its primary activity is the provision of Takaful insurance business. Cornerstone Takaful Nigeria Limited commenced operation on 1 April 2020, with Cornerstone Insurance Plc owning 99.99% equity interest in Cornerstone Takaful Nigeria Limited. Cornerstone Leasing and Investment Limited commenced operations on 1 July 2004 and provided convenient asset acquisition options to both corporate organizations and individuals. Cornerstone Insurance Plc has 100% equity interest in Cornerstone Leasing and Investment Limited which is currently dormant.

The consolidated financial statements include the results of its three subsidiaries.

2. Operating results:

The following is a summary of the Group's and Company's operating results:

	Group 2020	Group 2019	Company 2020	Company 2019	Group YOY% Growth	Company YOY% Growth
<i>In thousands of naira</i>						
Gross premium written	17,539,219	13,058,899	15,787,124	11,583,704	34%	36%
Gross premium income	15,718,711	13,296,136	14,210,849	11,877,166	18%	20%
Profit/(loss) before tax	1,767,092	4,013,742	1,277,126	3,034,730	-56%	-58%
Income tax expense	427,764	95,181	461,045	(97,506)	349%	-573%
Profit/(loss) for the year	2,194,856	4,108,923	1,774,919	2,937,224	-47%	-40%

3. Dividend

The Board of Directors did not propose any dividend for the year ended 31 December 2020 (2019: Nil).

4. Directors' shareholding

The Directors of the Company who held office during the year, together with their direct and indirect interests in the issued share capital of the Company as recorded in the Register of Directors' shareholding and as notified by the Directors in line with sections 301 and 302 of the Companies and Allied Matters Act (CAMA), 2020 and the listing requirements of the Nigerian Stock Exchange, were as follows:

as at December 31, 2020

Names of Directors	Direct Shareholding		Indirect Shareholding	
	2020	2019	2020	2019
SEGUN ADEBANJI	N/A	N/A	N/A	N/A
GANIYU MUSA	N/A	N/A	N/A	N/A
DOMINIC ICHABA *	2,761,310	2,238,900	N/A	N/A
STEVE IWENJORA	N/A	N/A	N/A	N/A
EKWUNIFE OKOLI	2,958,664	2,861,980	N/A	N/A
ELIZABETH AMADIUME	N/A	N/A	N/A	N/A
ANTHONY EGBUNA	N/A	N/A	N/A	N/A
TOKUNBO BELLO	620,811	502,360	N/A	N/A
CHIDIEBERE NWOKEOCHA	N/A	N/A	N/A	N/A

*Mr. Dominic Ichaba retired as a Non-Executive Director on 31 March 2020.

5. Directors' interest in contracts

In accordance with Section 303 of the Companies and Allied Matters Act (CAMA) 2020, the Board received a declaration from the following Director in respect of the services set against his name.

DIRECTORS' REPORT

for the year ended 31 December 2020

Name of Director	Name of Company	Interest in Company	Services
Mr. Dominic Ichaba*	PAC Solicitors	Director/ Shareholder	Secretarial services

*Mr. Dominic Ichaba retired as a Non-Executive Director on 31 March 2020.

6. Substantial interest in shares

According to the Register of Members as at 31 December 2020, no shareholder held more than 5% of the issued share capital of the Company except as disclosed as follows:

	31 December 2020		31 December 2019	
	Number of shares	%	Number of shares	%
Banc-assure Limited	8,803,503,588	48.46	7,143,885,379	48.50
Capasure Limited	5,547,786,518	30.54	4,498,205,285	30.54
	14,351,290,106	79.00	11,642,090,664	79.04

7. Shareholding Analysis

The analysis of the shareholding of the Company as at 31 December 2020 is as follows:

Range	Number of shareholders	Number of shares held	% of number of shareholders	% of number of shares held
1-500	1,081	219,531	3.81	0.00
501-1,000	985	680,437	3.47	0.00
1,001 - 5,000	5,501	14,839,304	19.37	0.08
5,001 - 10,000	5,611	38,283,676	19.76	0.21
10,001 - 20,000	5,349	72,914,337	18.83	0.40
20,001 - 50,000	4,645	144,410,597	16.35	0.79
50,001 - 100,000	2,291	155,342,819	8.07	0.86
100,001 - 500,000	2,391	440,518,178	8.42	2.42
500,001 - 1,000,000	243	161,781,138	0.86	0.89
Above 1,000,000	305	17,137,402,708	1.07	94.34
Total	28,402	18,166,392,725	100.00	100.00

The analysis of the shareholding of the Company as at 31 December 2019 is as follows:

Range	Number of shareholders	Number of shares held	% of number of shareholders	% of number of shares held
1-500	1,349	362,007	4.76	0.00
501-1,000	1,405	1,277,464	4.95	0.01
1,001 - 5,000	8,040	28,874,048	28.35	0.20
5,001 - 10,000	5,464	47,205,758	19.27	0.32
10,001 - 20,000	3,949	64,686,995	13.93	0.44
20,001 - 50,000	4,090	146,305,992	14.42	0.99
50,001 - 100,000	2,106	172,486,312	7.43	1.17
100,001 - 500,000	1,511	332,901,265	5.33	2.26
500,001 - 1,000,000	219	176,411,087	0.77	1.20
Above 1,000,000	225	13,759,087,680	0.79	93.41
Total	28,358	14,729,598,608	100.00	100.00

8. Property and Equipment

Information relating to changes in property and equipment is given in Note 15 to the consolidated and separate financial statements. In the opinion of the directors, the market value of the Group's properties is not less than the value shown in the consolidated and separate financial statements.

9. Acquisition of own shares

The shares of the Company are held in accordance with the Articles of Association of the Company. The details of the Company's interest in its own shares is given in Note 25(c).

10. Employment and Employees:

Human Capital

The Company's Human Capital unit is responsible for driving and enhancing the performance of the organisation as well as attracting high potential professionals. All Human Capital policies of the Company are subject to local laws and regulations in Nigeria. One of the objectives of the unit is to provide a work environment that is conducive for both personal and professional growth and ensure that Management aligns with global best practice.

Employees' health, safety and environment

The Company continues to maintain strict health and safety rules and practices in the work environment which are reviewed periodically. Health, safety and fire drills are regularly organised to keep employees alert at all times. Employees are adequately insured against occupational hazards. In addition, the Company provides health insurance for its employees and their immediate families at its expense.

DIRECTORS' REPORT

for the year ended 31 December 2020

Employment of physically challenged persons

The Company operates a non-discriminatory policy in the consideration of applications for employment, including those received from physically challenged persons. The Company's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition. In the event that an employee becomes physically challenged in the course of employment, the Group is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. As at 31 December 2020, the Company had no physically challenged persons in its employment (2019: None).

Employees' Involvement and Training

The Company places considerable value on the involvement of its employees and has continued the practice of keeping them informed on matters affecting them as employees and in various factors affecting the performance of the Company. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

Management decisions are communicated to employees on matters that are of concern to them by utilising various means of internal communication, including internal memoranda, email, intranet portal, company-wide team building interactions, management meetings and business performance sessions among others.

The Company encourages the involvement of employees in the Company's performance through:

- Reward & Recognition schemes such as staff promos; awards for the best performing staff in different areas of the organization (Marketing & Support team);
- Profit sharing;
- No claim bonus for Company drivers; and
- Performance pay (Variable pay) for Middle to Senior Management staff.

For the 2020 financial year, a total of 156 employees attended 58 various training programs. The trainings were conducted using the following methods:

- e-Learning
- Knowledge sharing sessions
- Class room based trainings
- Product knowledge trainings
- Open programmes
- International & Local Seminars

Gender Equality in Employment

The Company is an equal opportunity employer that adheres strictly to the principles of equality in all employment decisions and interventions. In order to provide equal employment opportunities to all individuals, employment decisions are based on merit, available vacancies and organizational priority.

Staff breakdown

Gender	2020		2019	
	Number	%	Number	%
Male	89	57	101	61
Female	67	43	64	39
Total	156	100	165	100

11. Donations and Charitable gifts

Donations during the year ended 31 December 2020 amounted to (₦)20,840,000 (2019: (₦)2,250,000) as follows:

Description	Organisation	Amount (₦)
Donation to support COVID-19 fight	Federal Government of Nigeria	20,000,000
The investiture for the 42nd President of Rotary Club Abeokuta	Rotary Club Abeokuta	50,000
Participation and sponsoring of Businessday Newspaper's top CEOs and next bulls award	Business Day Media	540,000
Others		250,000
		20,840,000

DIRECTORS' REPORT

for the year ended 31 December 2020

12. Complaints and Feedback

Introduction

At Cornerstone Insurance Plc, one of our core values is Empathy and this is reflected in the quality of our service delivery to our customers at all times. Our customers are the reason we are in business, to this end, we focus on delivering quality service at all times. We engage our customers and utilise feedback received to constantly improve on our service delivery, products offerings and distribution channels.

Complaints Channels

We take all feedback received from our customers as an opportunity to allow us serve them better, hence we channel a lot of resources to distilling the feedback and using the outcome to improve on our services and product offerings to our customers. Our mode of collating customers' feedback includes, but is not limited to:

- Customer service representatives at our corporate head office and our various branches
- Complaint email channel: complaint@cornerstone.com.ng
- Our website platform: www.cornerstone.com.ng
- Customer service online: enquiries@cornerstone.com.ng

Resolution Mechanism

At Cornerstone Insurance Plc, we have put in place a standard system to ensure that customers' feedback is received and resolved promptly. True to this, we have a dedicated customer service unit, which is responsible for the prompt investigation and resolution of customers' complaints within the approved period. The unit interacts with other segments within the organisation to ensure that complaints are satisfactorily resolved. Customers' complaints are stream-lined based on the type of the complaints to provide an enabling environment for proper monitoring, proper documentation and effective feedback process of received complaints. The process flow of customer complaint and resolution is as follows:

- The customer care officer acknowledges and attends to the various customers' complaints;
- The complaint is reviewed and addressed if it can be resolved at first level;
- Where the complaint can be resolved at the first level, a resolution is immediately provided to the customer;
- If such complaint cannot be resolved at the first level, the customer care officer forwards the complaint to the appropriate unit to handle;
- Upon resolution, the customer is contacted and the resolution is communicated to him. Thereafter, the case is closed and marked as resolved.

Customers' Opinions on Products

To enrich our customers' experience, we also periodically evaluate public/customer opinion about our services, products and policies. The evaluation is conducted in various ways including:

- One-on-one focus meetings with key customers
- Interviews with selected customers

Feedback on Customers' Complaints to Cornerstone Insurance Plc

Feedback on customers' complaints is provided to Management and other relevant units in the organisation. The feedback gathered ensures that:

- Cornerstone retains her customers as they feel appreciated and respected
- Quality service delivery is maintained and made uniform across the Cornerstone Group
- Identified improvement opportunities are presented to Management for implementation

The feedback is circulated to management staff through the Company's internal information channel.

Below is a report of complaints received and resolved by the Company during the year ended 31 December 2020.

Month	Complaints received during the year	Number of complaints resolved	Number of complaints unresolved	Number of unresolved complaints with SLA*
January	2	2	0	0
February	1	1	0	0
March	4	4	0	0
April	2	2	0	0
May	8	7	1	0
June	2	2	0	0
July	3	3	0	0
August	3	3	0	0
September	2	2	0	0
October	2	2	0	0
November	4	4	0	0
December	0	0	0	0
Total	33	32	1	0

*Service Level Agreement

DIRECTORS' REPORT

for the year ended 31 December 2020

Complaints not resolved within the approved period, can be attributed mainly to unavailability of the customers via email or phone call after the resolution of their complaint but all complaints are usually treated within 48 hours depending on the nature of the complaint.

The quantity of complaints received in 2020 was low as a result of our commitment to constantly engage our customers to understand and treat their concerns before they became complaints.

Complaints Management Policy

The Company has adopted a Complaint Management Policy in compliance with the requirements of the Securities and Exchange Commission (SEC) rules and regulations. The policy sets out a broad framework by which the Company and its Registrars will manage shareholder enquiries and complaints in a fair, impartial, efficient and timely manner. The policy is available for viewing on the Company's website at www.cornerstone.com.ng.

13. Code of Business Conduct and Business Ethics

In order to further strengthen the Company's Corporate Governance policies, the Company approved and implemented the following internal policies and practices which are reviewed periodically:

Code of Ethics: The Board has approved a Code of Business Ethics which requires that the Company and its employees, directors and all its stakeholders must operate in a manner that is consistent with the highest standards of conduct. The Code enunciates the Company's core values of Integrity, Empathy, Professionalism, Innovation and Team spirit.

The Code contains extensive provisions on the use of confidential information, conflict of interest, fair dealing, insider trading, anti-discrimination and harassment and other matters as stipulated in the SEC Code of Corporate Governance.

The Code of Ethics has been adequately communicated to all employees and each employee is required to read and execute same. Its implementation is adequately monitored.

Whistle Blowing Policy: The Whistle Blowing Policy of the Company specifically mandates members of staff to timely disclose any illegal, immoral or illegitimate practices including suspicious activities thereof that may adversely affect the Company and/or its stakeholders. The Company has a window for anonymous disclosures under this policy via a dedicated portal in addition to other channels through which employees may wish to make whistleblowing disclosures anonymously.

Employment Handbook: The Employee Handbook of the Company regulates the conduct and affairs of members of staff.

Service Delivery: To facilitate quality service delivery to customers, the Company has in place Service Level Agreements (SLA), which regulate the contractual relationships among different units of the Company and their external vendors.

Fraud Policy: The Company's fraud policy is aimed at facilitating the development of controls that will aid the detection and prevention of fraud against the Company. The Company maintains its zero tolerance to fraud and non-compliance practices.

14. Events after the reporting date

There were no events after the reporting date which could have a material effect on the financial position of the Group and Company as at 31 December 2020 and the financial performance for the year ended on that date that have not been adequately provided for or disclosed in the consolidated and separate financial statements.

15. Enterprise Risk Management

Overview

The Company's Enterprise Risk Management (ERM) model originates from a compendium of International risk standards. Foremost of the three (3) models is the ISO 31000 - Risk Management - Principles and Guidelines. The definition of risk represents the foundation of the Company's risk management philosophy as contained in the ERM framework document. Corresponding supporting frameworks include:

- The COSO integrated framework
- The three (3) lines of risk defense model - Risk owners, ERM & Internal Control/Audit

In addition to developing veritable structures in responding to the traditional Insurance Industry risks of claims management and underwriting risks among others, the Board of Directors and Management appreciate the dynamism risk of the business. For this reason, risk management structures have been implemented to administer material changes in the corporate risk management framework. These risks include: compliance/ regulatory, health and safety, strategic, reputational, operational and financial risks.

The Board is vested with the overall responsibility of overseeing the Company's risk management and internal control mechanism. The Company's internal Audit/Control function is instituted to strategically manage overall risks rather than exclude material risks in relation to the attainment of corporate objectives. The Company promotes the culture of risk awareness through policy directives, communication and training. Management is responsible for identifying, assessing and addressing material risks, and designing internal controls accordingly. Standard operating procedures and inherent controls are subject to periodic reviews by the Enterprise Risk Management unit, Management and Board Committees. The key financial and non-financial risks and uncertainties faced by the Company, have been considered during the year, and our approaches to managing them, are described below.

DIRECTORS' REPORT

for the year ended 31 December 2020

The Cornerstone Enterprise Risk Management (ERM) Programme

The Company's Enterprise Risk Management (ERM) Programme comprises instituted structures designed to manage a myriad of uncertainties and threats and equally explore opportunities in enhancing the Company's performance standards. The Company's ERM practice involves a cross-functional and multi-dimensional approach to corporate risk management. An ERM unit has been specifically charged with the function of identifying, evaluating, monitoring and reporting uncertainties (risks and opportunities) that may impact on corporate objectives (ISO: 31000) using the RAG (Red, Amber and Green) rating methodology.

The Company's risk context delineates the scope of the risk management process and sets the standards against which risks will be assessed in accordance with the Company's primary objective to be the leading insurance based financial services Group that transforms. The Group appreciates the myriad of uncertainties inherent in underwriting insurance and managing ancillary risks and how such risks potentially impact achievement of business objectives if left unaddressed via a structured /multi-dimensional risk management approach. It is to this end that the Group's ethics, philosophy and risk culture are embodied in our integrated risk management and control function.

Enterprise Risk Management (ERM) Governance

A system of risk governance is realised by establishing standards related to organisational structure, risk strategy, written policies, limit systems, documentation and reporting. These structures ensure the timely movement of risk-related information and a structured approach towards decision-making and implementation.

The Governance Risk and Compliance Group

The Governance, Risk, Compliance (GRC) committee functions as a management committee that addresses broad issues of corporate governance, enterprise risk management, corporate compliance.

Its other functions include but are not limited to the following:

- Promotion of the overall risk management culture and awareness, maturity level in the company;
- Act in advisory capacity to Executive management on Governance risk compliance and control standards;
- Ensure overall compliance with regulatory requirements.

The operational framework of the G.R.C is governed by the ERM Committee charter as approved by the Board of Directors.

Risk Management Philosophy

The key elements of the Group's risk management philosophy are as follows:

- The Group considers sound risk management as the foundation of a long lasting financial institution.
- The Group shall continue to adopt a holistic and integrated approach to risk management.
- Risk officers shall be empowered to perform their duties professionally and independently without undue interference.
- Risk management shall be governed by policies which are well defined and clearly communicated Group-wide.
- Risk management represents a shared responsibility. Therefore, the Group aims to build a shared perspective on risks that is grounded on consensus.

Risk Culture

The Board and senior management set the tone-at-the-top, by promoting accountable approaches to risks which are targeted at ensuring that the long-term rewards and the reputation of the Group is not jeopardized in a bid to achieve set objectives.

- The primary responsibility for risk management and control is fully vested in the Board of Directors.
- The Group's management shall promote risk awareness and risk management practice across the enterprise.
- The Group advocates risk event reporting and whistle blowing, in the quest to gain greater insights into unethical practices.
- The Group shall maintain a firm obligation to ethical principles, which shall be demonstrated in the ethical performance of staff and in the decision making process.

Risk Management and Internal Control Integrated Framework

The ERM and Internal Audit/Control practice of the Group derives its functionality from the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management – Integrated Framework. The framework highlights the nucleus of the Enterprise Risk Management process, the synergy of operations amongst the Board of Directors, management and other personnel across the enterprise.

The Group's ERM/internal control integrated framework primarily consists of the following five (5) constituents in accordance with best practices:

- Control environment
- Risk assessment
- Control activities
- Information & communication
- Monitoring

DIRECTORS' REPORT

for the year ended 31 December 2020

Control environment

The Group's control environment refers to established standards and structures that provide a foundation for the risk management/internal control and actions to thrive across the Group. The Board of Directors and senior management institutes the tone at the top regarding the importance of internal control. Furthermore, the control environment comprises our five (5) corporate values of integrity, empathy, professionalism, innovation and team spirit that exhibit the Group's commitment to essential values. These values provide the necessary advantages that enable Management establish the mode of business operations and the Board of Directors to effectively execute its independent oversight functions by setting the tone at the top. The operating and corporate governance structure, establishment of standards of conduct, enforcement of accountability through structures and authorities represent critical success factors responsible for the thriving risk management culture within the Group thus far.

Risk assessment

Risk assessment involves an iterative method of identifying and evaluating risks that could constitute threats to the enterprise as a whole, usually emanating from business units and are capable of impacting the Group's objectives. Designated risk champions and risk officers are responsible for risk identification/reporting, while the ERM unit conducts an evaluation and assessment of risk identified, with the intention of developing action plans for implementation and assessing the effectiveness thereof. Risk assessment reports are presented at the quarterly Board meetings of the Enterprise Risk Management and Governance Committee.

The 2020 risk assessment was administered via the Risk Control Self-Assessment exercise. The objective is to identify risks across the enterprise via process owners and risk officers and evaluate the adequacy of internal control vis-a-vis risks identified using probability and impact metrics (RAG methodology). The Group shall ensure that risks are kept as low as reasonably practicable with similar emphasis on potential risk embedded therein.

Control activities

Control activities are actions instituted through internal practices that help safeguard the implementation of the Group's directives to mitigate risk exposures and/or promote business opportunities that may possibly influence the achievement of corporate strategic objectives. Control activities are entity-specific and are performed at all levels across the Group at various stages within business processes and over the technology environment.

Information and Communication

The Group firmly appreciates that management of information is critical for the enterprise to proficiently implement internal control functions and has developed and utilises information from internal and external sources to underpin the current internal control system. This information also supports business decision-making.

Monitoring

The current corporate governance structure enables the Group to evaluate the efficacy of its policies and procedures, adherence to its internal control and risk management measures and communicates inherent and potential vulnerabilities in a timely manner to the authorities responsible for taking risk-based corrective actions, including Senior Management and Board Committees.

Reputational Risk Management

The Group maintains a zero-tolerance policy against all unethical behavior. Furthermore, the Group's corporate values continually promote a responsible approach to avoiding and mitigating reputational risks and ensure that the long-term survival and brand image of the Group is not jeopardized.

Operational Risk Management

Operational risks represent the risk of losses that emanate from inadequate or failed internal processes, people and systems or from external events including legal and compliance risks.

The operational risk management approach hinges on prompt identification and proactive management of operational risks via an interactive of all "the lines of defense" functions.

The Group recognizes the pervasiveness of several types of operational risks in our business process; hence policies and tools have been instituted to ensure that resultant impacts are kept as-low-as-reasonably-practicable (ALARP). Some of these policies and tools are:

i. Risk and Control Self-Assessment (RCSA)

The Risk and Control Self-Assessment tool is employed to manage operational risks using a combination probability and impact measurement to calculate risk scores. Risk officers working in designated departments are primarily responsible for risk identification in line with our first line of defence model, assessment, proffering action plans for implementing and determining the efficacy of these plans in order to mitigate risk exposures.

DIRECTORS' REPORT

for the year ended 31 December 2020

ii. Risk Acceptance Criteria (RAC)

The RAC tool ensures that risks are adequately profiled by the Technical team before such risks are underwritten. The essence of this tool is to ensure that the Company only accepts risks that are within its risk appetite. The output from the use of the tool also helps the Company to make informed decisions on all insurance policies to be underwritten.

iii. Risk Appetite Dashboard (RAD)

The RAD provides, at a glance, the acceptable business risk threshold for identified risk metrics. The dashboard, once updated with particular risks, triggers the business owners whenever acceptable risk limits are exceeded. All business risk ratios are profiled on the risk dashboard and are meticulously tracked daily.

iv. Occupational Health and Safety Management System

The Group reviewed its Occupational Health and Safety Management System (OHSAS) design, in order to meet the requirements of the international standard for OHSAS 1800:2007. The review was necessitated by the need to establish measures aimed at upholding the Group's policy on low risk tolerance against occupational health and safety risks. Risk awareness via communication to staff remains a veritable medium to promote

v. Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) Risk Profiling

The AML/CFT risk based profiling was developed to enhance the company's internal standards towards compliance with assessment of AML/CFT risks and applying a risk-based approach as provided by the 2017 Financial Action Task Force (FATF) recommendations.

Regulatory Reporting on ERM Activities

The Group submitted the Financial Condition Report (FCR) and Own Risk and Solvency Assessment (ORSA) report, in compliance with regulatory reporting priorities of NAICOM.

Environmental and Social Risk Management

The Group's activity is classified as a Category C based on the 2017 Environmental and Social (E&S) monitoring exercise. This categorization is based on available information that the Group's operational activities have minimal or no adverse environmental and social impact.

The Group is committed to improving identified areas in its E&S performance via the Environmental and Social Action Plan (ESAP).

16. Independent Auditor

KPMG Professional Services will be serving out their statutory tenor in office as independent auditors of the company in accordance with section 6 (ii) of the National Insurance Commission Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria 2021. The Board of Directors will propose for approval at the shareholders' meeting for the appointment of a new independent auditor for the Company.

BY THE ORDER OF THE BOARD OF DIRECTORS



Onwubere Chidinma Ihuoma
FRC/2015/NBA/00000011359
For: PAC Solicitors (Company Secretary)
16, Kofo Abayomi Street
Victoria Island
Lagos, Nigeria
16 April 2021



Cornerstone
The future. Assured



CORPORATE **GOVERNANCE**



Cornerstone
The future. Assured



Travel Insurance

Explore the world
Knowing we've got you covered

Get the Cornerstone
Insurance Mobile App
on your Smartphone



NAICOM/CC/ADV/2021/4328

Call us

01 280 6500 | 0700CORNERSTONE

CORPORATE OFFICE

21, Water Corporation Drive,
Off Ligali Ayorinde Street,
Victoria Island, Lagos

enquiries@cornerstone.com.ng
www.cornerstone.com.ng

Introduction

Cornerstone Insurance PLC ('the Company') is committed to the highest standards of Corporate Governance and integrates sound corporate governance principles across its business operations. Our good corporate governance is the bedrock of strong public trust and confidence reposed in us by shareholders, business partners, employees and the financial markets, and the key to our continued long-term success.

In the pursuit to deliver greater shareholder value, we continue to subject our operations to the highest standards of corporate governance, which is an essential foundation for sustainable corporate success. To ensure consistency in the practice of good corporate governance, the Company continuously reviews its governance structure to align with legal and regulatory requirements and global best practices.

Our Board of Directors recognizes that compliance is the mutual responsibility of the Board, Management and all staff of the Company and has established a system of control to ensure strict adherence to applicable principles.

Our Board also ensures that its governance approach is reflected throughout the Company and has developed a culture where staff at every level are accountable and stakeholder views are taken seriously. Our Board determines the governance culture of the Company and ensures that it leads by example by exhibiting responsible behavior which is expected from every stakeholder in the Company.

The Company ensures compliance and alignment with the applicable local legislation and international best practices including compliance with the Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria, issued by the National Insurance Commission, the Code of Corporate Governance for Public Companies issued by the Securities and Exchange Commission and the Nigerian Code of Corporate Governance issued by the Financial Reporting Council of Nigeria.

Some of the key initiatives which our Board embarked on in 2020 to strengthen its corporate governance framework include, but are not limited to, the following:

1. Review and approval of relevant corporate governance policies and documents such as:

- a. Board Charter
- b. Board Remuneration Policy
- c. Board Succession Policy
- d. Board Selection, Orientation and Training Policy
- e. Related Party Transactions Policy
- f. Clawback Policy
- g. Sustainability Policy
- h. Conflict of Interest Policy
- i. Whistleblowing Policy
- j. Dividend Policy
- k. Provision of Non-Audit Services Policy
- l. Delegation of Authority Matrix
- m. Complaints Management Policy

2. Trainings for Directors, facilitated by NAICOM and DSCL Corporate Services Limited

Governance Structure

The Company's governance is the responsibility of the Board of Directors which is accountable to shareholders for creating and delivering sustainable value through the management of the Company's business.

The Board is responsible for the efficient operation of the Company and ensures that the Company fully discharges its legal, financial and regulatory responsibilities. These oversight functions of the Board of Directors are exercised through its various Committees. The matters which are more specifically reserved for the Board to ensure that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues are:

CORPORATE GOVERNANCE REPORT

- Maintaining an oversight risk management function, defining the Company's risk appetite, identifying principal risks and establishing appropriate risk mitigation and avoidance mechanisms
- Formulation and monitoring of the Company's strategy and implementation of the strategy
- Monitoring all business activities of the Company, from analysis of investment performance to review of quarterly Management accounts
- Supervisory responsibility with respect to overall budget planning and budget allocation
- Oversight for the integrity, effectiveness and adequacy of internal controls and the Company's information management system
- Ensuring the integrity of the Company's financial statements in line with legal and regulatory requirements
- Approval of strategic plans, performance objectives and policies of the Company to deliver long-term value
- Approval of material acquisitions and disposal of assets, mergers and joint ventures, capital investments and major organizational changes
- Consideration and approval of Board and Senior Management appointments or removals
- Shareholder communication
- Authorisation of Directors' conflict or possible conflicts of interest
- Establishing Board Committee's and approval of Committee membership and Terms of Reference etc.

The Board delegates the operational management of the Company's businesses to the Chief Executive Officer/Group Managing Director who reports to the Board and who can sub-delegate any of his powers as appropriate.

Board Appointments

The Board, through the Enterprise Risk Management (ERM) and Governance Committee, is responsible for determining the knowledge, skills and experience required for the Board as a whole and for individual members. Directors are selected based on core competencies set by the Board and are required to possess deep expertise and insights in the industry and other areas relevant to the Company. In addition, the Board also appoints Directors on the basis of integrity, leadership, reputation, diversity and experience.

Induction and Training

The Company has established a formal induction programme for newly appointed Directors. As part of this programme, all new Directors appointed to the Board are issued a letter of appointment which contains their fiduciary duties as Directors, their roles and responsibilities, remuneration and information on the Company, among other things. Each new Director is provided with relevant materials about the Company including financial data and key policies supporting the Company's business practices. They also receive copies of the Terms of Reference of the Board and Committees to which they have been appointed and the Company's Memorandum and Articles of Association. All new Directors are required to disclose their memberships on other Boards and any real or potential conflict of interest situations which they are aware of.

The Enterprise Risk Management and Governance Committee oversees a continuing education programme to ensure that Directors are kept abreast of corporate governance best practices, their roles and responsibilities, as well as the Company's business. Directors are thus encouraged to periodically attend relevant continuing education programmes. During the period under review, the Directors participated in the following trainings:

1. The Role of the Board in Understanding Actuarial Science and Governance;
2. Understanding the use of Reinsurance in Implementing Strategic Objectives; and
3. Insurance Industry Post Pandemic: The Pursuit for Survival and Growth.

Board Composition

The Board of Directors is comprised of experienced individuals with significant achievements in their respective professions. The Board composition during the year is presented as follows:

<u>Non-Executive Directors</u>	
Name	Designation
Mr. Segun Adebajji	Chairman
Mr. Dominic Ichaba*	Non-Executive Director
Mr. Steve Iwenjora	Non-Executive Director
Mr. Anthony Egbuna	Non-Executive Director
Mr. Ekwunife Okoli	Independent Non-Executive Director
Ms. Elizabeth Amadiume	Independent Non-Executive Director

*Mr. Dominic Ichaba retired as a Non-Executive Director on 31 March 2020.

CORPORATE GOVERNANCE REPORT

Executive Directors

Name

Mr. Ganiyu Musa
Mr. Tokunbo Bello
Mr. Chidiebere Nwokeocha

Designation

Group Managing Director/CEO
Executive Director
Executive Director

Election of Directors

Since the last Annual General Meeting, the Board, to strengthen its composition and improve its skill set and competencies, appointed Dr. Ogechi Adeola as an Independent Non-Executive Director. Her appointment is hereby being presented for approval by members at this Annual General Meeting, subject to the approval of the National Insurance Commission.

Dr. Adeola's profile is on page 13 of this Annual Report.

Re-Election of Directors

In accordance with Section 285(1) of the Companies and Allied Matters Act 2020, the following Directors retiring by rotation and being eligible, are presenting themselves for re-election:

- Mr. Ganiyu Musa;
- Mr. Ekwunife Okoli; and
- Mr. Chidiebere Nwokeocha

Their profiles are on pages 11 - 13 of this Annual Report.

Meetings of the Board

The Board meets at least once every quarter to perform its oversight function and to monitor the performance of Management. Emergency Board meetings are scheduled whenever business exigencies arise which require the urgent attention of the Board. In between meetings, the Board maintains regular contact with Management. The Board met six (6) times in 2020.

Details of attendance by each of the Directors at Board meetings are shown in the table below.

Attendance Register of the Members of the Board as at 31st December, 2020

MEETINGS	1	2	3	4	5	6
NAMES	20-Feb-20	21-Apr-20	19-Jun-20	22-Jul-20	15-Oct-20	16-Dec-20
Mr. Segun Adebajji	✓	✓	✓	✓	✓	✓
Mr. Ganiyu Musa	✓	✓	✓	✓	✓	✓
Mr. Dominic Ichaba	✓	NLD	NLD	NLD	NLD	NLD
Mr. Steve Iwenjora	✓	✓	✓	✓	✓	✓
Mr. Ekwunife Okoli	✓	✓	✓	✓	✓	✓
Ms. Elizabeth Amadiume	✓	✓	✓	✓	✓	✓
Mr. Anthony Egbuna	✓	✓	✓	✓	✓	✓
Mr. Tokunbo Bello	X	✓	✓	✓	✓	✓
Mr. Chidiebere Nwokeocha	✓	✓	✓	✓	✓	✓

KEY: ✓ - Present X - Absent NLD - No Longer Director

CORPORATE GOVERNANCE REPORT

Annual Board Evaluation

In compliance with the Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria, issued by the National Insurance Commission and the Nigerian Code of Corporate Governance issued by the Financial Reporting Council of Nigeria, the Company conducted its annual Board Evaluation exercise for the year ended 31 December 2020.

The 2020 Board Evaluation exercise was successfully concluded and a summary of the report is included in this Annual Report.

As part of its responsibilities, the Board, through the Enterprise Risk Management and Governance Committee, continuously tracked the implementation of recommendations contained in the Board Evaluation report.

BOARD COMMITTEES

The Board is supported by four (4) Committees which reinforce the Board's oversight of the Company. The Board Committees are part of the Company's formal governance structure and provide the Board with regular reporting and formal assurance. This helps the Board to spend a significant proportion of its time on strategic decision-making, whilst obtaining proper assurance that decisions across the Company have been made effectively based on the correct information. The Chairman of each Committee reports to the Board on their activities, following each meeting of their respective Committees.

Each Committee has its Terms of Reference that guides Committee members in the execution of their duties. The Committees of the Board are:

- Enterprise Risk Management and Governance Committee;
- Audit and Compliance Committee;
- Finance, Investments and General Purposes Committee; and
- Statutory Audit Committee

Enterprise Risk Management and Governance Committee

The Enterprise Risk Management and Governance Committee assists the Board to oversee the Company's overall risk management systems, risk appetite and risk tolerance. The Committee also assists the Board in discharging its governance responsibilities, as well as its responsibilities for the management of human resources, to ensure that recruitment and remuneration policies and practices are designed to attract, retain and reward fairly and responsibly, with a clear link to corporate and individual performances.

The Committee meets at least once a quarter to consider any of the above items as required and at such other times as may be deemed necessary by the Chairman of the Committee. The relevant members of the senior executive management team in attendance at this Committee's meetings include the Head of Enterprise Risk Management, Head of Human Capital and the Head of Legal.

The Committee's membership during the year is presented as follows:

Ms. Elizabeth Amadiume	-	Chairperson
Mr. Dominic Ichaba*	-	Member
Mr. Anthony Egbuna	-	Member
Mr. Ekwunife Okoli	-	Member

*Mr. Dominic Ichaba retired as a Non-Executive Director on 31 March 2020.

The Committee held five (5) meetings during the year and the attendance of the Members at the meetings is presented in the table below:

Meetings	1	2	3	4	5
Directors	21-Jan-20	10-Feb-20	06-Apr-20	1-Jul-20	6-Oct-20
Ms. Elizabeth Amadiume	✓	✓	✓	✓	✓
Mr. Dominic Ichaba	✓	✓	NLD	NLD	NLD
Mr. Anthony Egbuna	✓	✓	✓	✓	✓
Mr. Ekwunife Okoli	NYA	NYA	✓	✓	✓
KEY	✓-Present	X-Absent	NYA- Not Yet Appointed	NLD – No Longer Director	

Audit and Compliance Committee

The Audit and Compliance Committee is established in line with the Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria issued by the National Insurance Commission. The Committee is responsible for the integrity of the Company's financial reporting, including scrutinising accounting policies and monitoring the effectiveness of the Company's internal control and risk management systems.

CORPORATE GOVERNANCE REPORT

The Committee monitors the Company's performance in accordance with its compliance policy and oversees the establishment and implementation by Management of a compliance framework for identifying, assessing, monitoring, reporting on and managing compliance issues throughout the Company. The Committee also ascertains that there is an appropriate structure for reporting on compliance which does not compromise the independence of the compliance function from daily operational activities and evaluates the Company's compliance with other relevant laws relating to its business operations – including but not limited to, employment laws, occupational health and safety, competition laws, trade practices laws, privacy and data protection laws and corporate governance regulations, among others.

The Audit and Compliance Committee meets at least once every quarter and each of these meetings are attended by relevant members of the Company's Management team including the Group Managing Director, the Internal Auditor, the General Manager-Risk Management, the Head of Finance and Performance Management, Head of Legal and where necessary, the External Auditors.

The Committee's membership during the year is presented as follows:

- a. Mr. Anthony Egbuna - Chairman
- b. Mr. Dominic Ichaba* - Member
- b. Ms. Elizabeth Amadiume - Member
- c. Mr. Steve Iwenjora - Member

*Mr. Dominic Ichaba retired as a Non-Executive Director on 31 March 2020.

The Committee held four (4) meetings during the year and the attendance of the Members at the meetings is presented in the table below:

Meetings	1	2	3	4
Directors	13-Feb-20	16-Apr-20	13-Jul-20	12-Oct-20
Mr. Anthony Egbuna	NYA	✓	✓	✓
Mr. Dominic Ichaba	✓	NLD	NLD	NLD
Ms. Elizabeth Amadiume	✓	✓	✓	✓
Mr. Steve Iwenjora	✓	✓	✓	X

KEY ✓-Present X-Absent NYA- Not Yet Appointed NLD- No Longer Director

Finance, Investments and General Purposes Committee

The Finance, Investments, and General Purposes Committee assists the Board in its oversight responsibilities over the Company's financial and investment strategy, assists the Board to establish a framework or broad policy for investment and monitors the implementation of the Company's investment policies and procedures. The Committee oversees the Board's responsibilities in relation to the financial affairs of the Company and acts as a general-purpose committee with power to act on all day-to-day matters not within the purview of any other committee of the Company.

The Finance, Investments and General Purposes Committee meets at least once every quarter and each of these meetings are attended by the Head of Treasury and Investment, Head of Marketing and Corporate Communications and Head of Legal.

The Committee's membership during the year is presented as follows:

- a. Mr. Steve Iwenjora - Chairman
- b. Mr. Ganiyu Musa - Member
- c. Mr. Anthony Egbuna - Member
- d. Mr. Ekwunife Okoli - Member
- e. Mr. Tokunbo Bello - Member
- f. Mr. Chidiebere Nwokeocha - Member

The Committee held five (5) meetings during the year and the attendance of the Members at the meetings is presented in the table below:

Meetings	1	2	3	4	5
Directors	13-Feb-20	16-Apr-20	13-Jul-20	12-Oct-20	19-Nov-20
Mr. Steve Iwenjora	✓	✓	✓	✓	✓
Mr. Ganiyu Musa	✓	✓	✓	✓	✓
Mr. Anthony Egbuna	✓	✓	✓	✓	✓
Mr. Ekwunife Okoli	✓	✓	✓	✓	✓
Mr. Tokunbo Bello	X	✓	✓	✓	✓
Mr. Chidiebere Nwokeocha	✓	✓	✓	✓	✓

KEY ✓-Present X-Absent

CORPORATE GOVERNANCE REPORT

Statutory Audit Committee

The Statutory Audit Committee is a requirement of Section 404 (2) of the Companies and Allied Matters Act (CAMA) 2020. The Committee consists of representatives of Shareholders and Directors.

The Committee's Terms of Reference are stated in Section 404 (7) of CAMA 2020. The Committee is also guided by the provisions of Section 30 of the Code of Corporate Governance for Public Companies issued by the Securities and Exchange Commission, and Principle 11.4.6 of the Nigerian Code of Corporate Governance 2018 issued by the Financial Reporting Council of Nigeria.

The roles and responsibilities of the Statutory Audit Committee are to:

- Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.
- Review the scope and planning of audit requirements.
- Review the findings on Management matters in conjunction with the external auditor and departmental responses thereon.
- Keep under review the effectiveness of the Company's system of accounting and internal control.
- Make recommendations to the Board on the appointment, removal and remuneration of the external auditors.
- Authorize the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.
- Review the Company's whistle-blowing policy.
- Monitor and review the effectiveness of the Company's internal audit function in the context of the Company's overall risk management system.
- Review the effectiveness and objectivity of the Company's internal and external auditors.

The Statutory Audit Committee meets at least once every quarter and each of these meetings are attended by relevant members of the Company's Management team including the Group Managing Director, the Internal Auditor, the General Manager-Risk Management, the Head of Finance and Performance Management, Head of Legal and where necessary, the External Auditors.

The Committee's membership during the year is presented as follows:

- | | | | |
|----|------------------------------|---|----------|
| a. | Mr. Henry Olayemi | - | Chairman |
| b. | Mr. Chibuzor Eke | - | Member |
| c. | Mr. Oyetunde Olaitan Emilius | - | Member |
| d. | Mr. Anthony Egbuna | - | Member |
| e. | Ms. Elizabeth Amadiume | - | Member |
| f. | Mr. Steve Iwenjora | - | Member |

The Committee held four (4) meetings during the year and the attendance of the Members at the meetings is presented in the table below:

Meetings	1	2	3	4
Names	13-Feb-20	16-Apr-20	13-Jul-20	12-Oct-20
Mr. Henry Olayemi	✓	✓	✓	✓
Mr. Chibuzor Eke	✓	✓	✓	✓
Mr. Oyetunde Olaitan Emilius	✓	X	✓	X
Mr. Dominic Ichaba*	✓	NLD	NLD	NLD
Mr. Anthony Egbuna	NYA	✓	✓	✓
Mr. Steve Iwenjora	✓	✓	✓	✓
Ms. Elizabeth Amadiume	✓	✓	✓	✓

Key: ✓-Present; X -Absent, NYA – Not Yet Appointed; NLD- No Longer Director

*Mr. Dominic Ichaba retired as a Non-Executive Director on 31 March 2020.

Information Flow and Access to Management

Comprehensive Board papers are circulated electronically to the Directors before Board and Committee meetings. The Board papers highlight and address the agenda items on which the Group Managing Director will report and areas requiring decisions and approvals of the Board.

The Board has a good line of communication with Management and can request the presence of any senior Management staff to provide information when required at its meetings.

The Company Secretary is available to advise individual Directors on corporate governance matters.

CORPORATE GOVERNANCE REPORT

Directors' Remuneration

The remuneration of Non-Executive Directors comprises an annual fee and a meeting attendance allowance. The Board, through the Enterprise Risk Management and Governance Committee, periodically reviews the remuneration package for Directors which is structured such that a Director's independence is not compromised. The Company does not provide personal loans or credits nor does it provide stock options to its Non-Executive Directors, unless otherwise approved by members at a general meeting.

The remuneration of Executive Directors including entitlements, benefits and share option schemes are adequately disclosed in the Financial Statements. However, no share option schemes were exercised in 2020.

Compliance Statement

The Company's corporate governance strategies and initiatives are directed towards complying with the Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria issued by the National Insurance Commission, the Code of Corporate Governance for Public Companies issued by the Securities and Exchange Commission, the Nigerian Code of Corporate Governance issued by the Financial Reporting Council of Nigeria and the disclosure requirements under the Nigerian Stock Exchange (NSE) Listing Requirements and Rules.

Companies and Allied Matters Act

On the 7th of August 2020, the Companies and Allied Matters Act 2020 was assented to by President Muhammed Buhari, with an effective date of 1st January 2021. The Company is taking steps to ensure that it is in full compliance with the Act.

Audit Regulations

On the 25th of January 2021, the Financial Reporting Council of Nigeria issued its Audit Regulations 2020, with an effective date of 25th January 2021. The Company is taking steps to ensure that it is in full compliance with the Regulations.

Corporate Governance Guidelines for Insurance and Reinsurance Companies in Nigeria

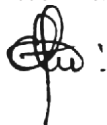
On the 17th of March 2021, the National Insurance Commission issued its Corporate Governance Guidelines for implementation by all Reinsurance and Insurance Companies in Nigeria, with an effective date of 1st June 2021. The Company is taking steps to ensure that it is in full compliance with the Guidelines.

Communication with Shareholders

In compliance with the extant Codes of Corporate Governance, the Company has a system which ensures regular and active communication with its shareholders through announcement of quarterly and full year results, as well as other statutory announcement and filings required of the Company by the regulatory framework on the Company's operations. The Company ensures that shareholders have continuous access to these reports by disclosing them on the Company's website and the Issuers' Portal of The Nigerian Stock Exchange.

Securities Trading Policy

In compliance with the Investments and Securities Act 2007, the Consolidated Rules and Regulations of the Securities and Exchange Commission and other relevant regulatory provisions, the Company implements the Securities Trading Policy approved by the Board which prohibits Directors, senior management, employees, professional advisers and every insider as described therein from abusing or placing themselves under the suspicion of abusing price sensitive information in relation to the Company's securities during closed periods. The policy is also available on the Company's website www.cornerstone.com.ng.



Chidinma Onwubere
PAC Solicitors (Company Secretary)
FRC/2015/NBA/00000011359
16, Kofo Abayomi Street
Victoria Island, Lagos
Tel: 09099298887, 08063480070
Website: www.pacsolicitors.com.

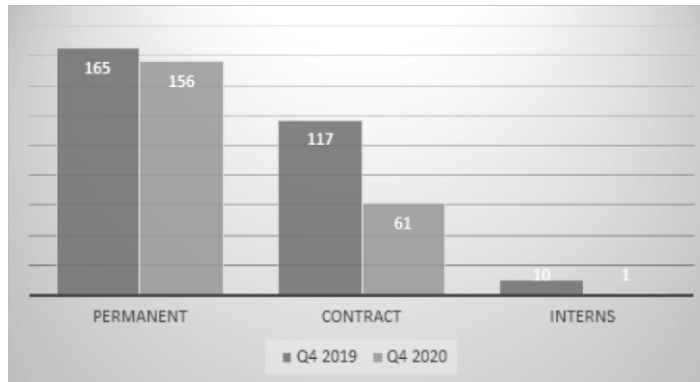
CORPORATE GOVERNANCE REPORT

Human Capital

Employment and Labour Relations:

Cornerstone prides itself as one of the companies that conducts its businesses ethically, within the confines of the regulatory laws governing our operations. Sustaining this culture to a large extent has been made possible by our resilient employees, who live and breathe our ethos. Therefore, going all out to attract the best, based, not just only competence but also on cultural compatibility remains at the heart of the organization.

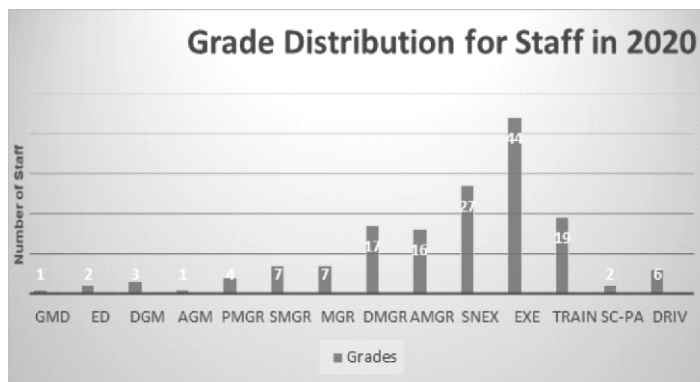
Cornerstone remains fully committed to employee welfare, development and retention which is critical in entrenching a strong culture, necessary for the delivery of the Organizational goal. Employee engagement is monitored via an annual survey.



Bar Chart showing Headcount comparison between Q4 2019 & Q4 2020

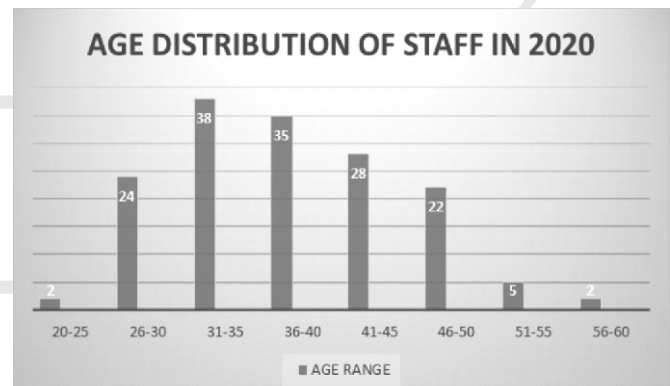
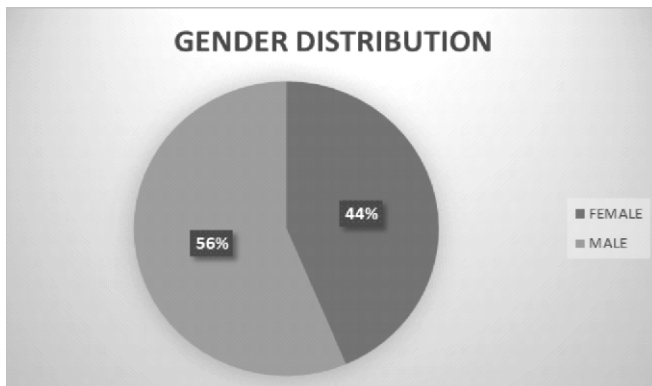
The headcount of employees in 2020 was significantly different from the 2019 headcount.

The reduction is due to personnel rationalization and realignment done to mitigate against some impact of the covid -19 pandemic on the business.



Employment Equity, Gender Policies and Practices

Our recruitment and promotion policy engenders equity and is free from discrimination based on gender, ethnic origin, age, marital status, disability, religion, and other diversity issues.



Dissemination of Information

To ensure that employee goals align with that of the organization, relevant information on the direction of the business is effectively communicated. We consider this critical to the sustenance of team spirit and high employee morale. Memos, HR updates and newsletters are published in respect of relevant corporate issues. Another communication channel used is the quarterly Village meetings between the Group Managing Director and the Workforce.

Bullying & Harassment

Cornerstone has zero tolerance for bullying and harassment in the workplace. There is a whistle blowing portal in place where aggrieved staff can anonymously lodge their complaints. All issues brought to the attention of Management are pursued to a logical conclusion.

Health, Safety & Welfare of Employees

The company continues to maintain strict healthy and safety rules and practices in the work environment which are reviewed periodically. All Covid- 19 protocols were adhered to. Health, safety and fire drills are regularly organized to keep employees alert always. Employees are adequately insured against occupational hazards. In addition, the company provides Health Insurance for its employees and their families.

Training

We prioritize employee learning and growth on a need-to-know basis, by deploying programmes that improve individual staff performance. Through our numerous trainings we give our staff the power to learn at their own pace via the various forms of technology that we have acquired inhouse. Our broad range of training covers technical skills, soft skills, regulatory courses etc.



Leaders as Teachers Series: The Leaders as Teachers programme provides employees with the avenue to learn from thought leaders and leading individuals across various discipline through one-on-one interaction, multi-media etc.



Personalized Learning: We adopted personalized learning in the year by selectively designing learning interventions for individual employees. This allows our staff to learn at their own pace and take control of their learning.



Statutory Trainings: We are constantly seeking ways to improve our staff understanding of the anti-money laundering act, and how to effectively comply with the statutory regulations.



Health Safety and Environment (HSE): The mental and physical wellbeing of our employees is important to us and we deployed trainings related to mental wellness and coping strategies in a pandemic era.

CORPORATE GOVERNANCE REPORT

Sustainability Statement

At Cornerstone Insurance Plc, we are aware that a strong Environmental, Social and Governance (ESG) proposition can safeguard our long-term success. As such, we are committed to getting our ESG proposition right in addition to the provision of economic value. This is with a view to creating higher values in our business operation and activities.

As part of our commitment, we have incorporated the environmental and social standards into our business operations and activities. We have reviewed and updated the tools in which we manage our financial, social and environmental risks. We continue to improve our Environmental & Social (E&S) processes to align with international best practice. As an innovative and sustainable insurance company, we are constantly devising ways of doing things better. We believe creating value for our stakeholders (our employees, our shareholders, and the society) is key to the long-term resilience and value of our business.

Our Sustainability Journey

While adjusting amidst and recovering after the pandemic, we never lose sight of the bigger picture—our sustainability journey. We have strategically embedded sustainability into our business processes and organizational practices which guides our sense of ethical conduct and accountability to our stakeholders and the society at large.

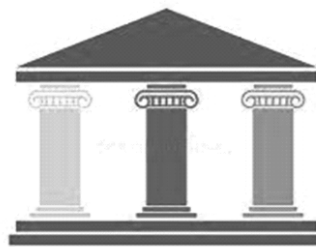
Our sustainability initiatives are designed to have impact across the Sustainable Development Growth (SDGs) which includes:

- a) reducing income inequality
- b) achieving gender equality
- c) boosting health and education outcomes
- d) fighting climate change

Sustainability is integrated across our business on three pillars:

SUSTAINABILITY PILLARS

Social Inclusion



Environmental

Economic

1. Social Inclusion

At Cornerstone Insurance, we leverage our roles as an insurer, employer and corporate citizen to contribute to a more inclusive society. We strive to create working conditions that promote work-life balance & employee well-being while investing in our communities through our various corporate social programs.

A. Our Employees



We value our employees, hence, we provide a work environment that is safe and satisfying, while fostering optimal productivity.

CORPORATE GOVERNANCE REPORT

- ❖ In 2020, we doubled our effort to support the health and wellbeing of our employees amidst the pandemic. We made sure that all our workplaces – branches, offices, and properties adhere to the mandated safety and health protocols. Furthermore, we ensured the following:
 - o Constant communication of meaningful health tips termed "Health is Wealth" to promote employee well-being; and create awareness on the lifecycle of several health conditions, symptoms, preventive and surviving measures to stay healthy
 - o Participation in the 2020 Global Wellness Day, having engaged a specialist to enlighten our employees on their physical, mental, and emotional health with a focus of improving our employees state of health
 - o Sustained one of our goal as an organization that provides her employees with the awareness and tools required to take actions that further improves their own well-being
- ❖ We maintained cordial relationships with our employees through constant engagement with management team, provision of improved compensation packages, helping to enhanced employee satisfaction on the job and hiring of highly qualified candidates. We are committed to hiring, retaining, and developing talents that identify our core values
- ❖ We value diversity across our ranks and aim to provide equal opportunity for all relevant stakeholders. We ensure that equal opportunity is provided to all employees and that no preference is given on the basis of gender, ethnicity, religion, or race

B. Our Community



We play a positive role in communities where we operate and in the wider society. We strive to develop resilient and sustainable prosperity through our Corporate Social Programs which focuses on promoting a safer community.

- ❖ In 2020, our Corporate Social Responsibility (CSR) efforts were fine-tuned to support the government in curtailing the spread of COVID-19. We introduced a two-legged project targeted at safety and charity.
 - o Leveraging on our existing footprints across the country, Cornerstone Insurance PLC Foundation (CIPLCF) partnered with the Federal Road Safety Corps (FRSC) in Federal Capital Territory (FCT) Abuja, Ogun, and Lagos States where the country recorded a relative high number of Coronavirus cases
 - We sensitized the populace, especially commercial vehicle operators and market women on how to prevent the spread and be protected from COVID-19
 - We delivered 20 Safety Kiosks and 800 Reflective Jackets accompanied with educative flyers in the identified locations
 - o In spite of the uncertainties during the year, our CSR team initiated a palliative measure to ameliorate the impact of the novel Virus through our charity gestures. This project supported six (6) charitable organisations in alleviating poverty and promoting quality education

2. Environmental



Cornerstone identifies and manages the risks arising from climate change to create a sustainable environment and promote a low-carbon economy through a proactive approach to addressing the challenges and opportunities of climate change, while optimizing our performance in energy efficiency, water usage and emissions. We took steps in reducing our CO2 emissions by implementing key initiatives in our business operations

CORPORATE GOVERNANCE REPORT

- ❖ To reduce our carbon emission, we have sustained the installation of solar panels which has reduced the number of hours used to run our generating sets as the alternate power system to the I.T server rooms located at the Corporate Head Office and other branches. Please find below other initiatives that were put in place to sustain a safe environment during the year:
 - o Use of Microsoft Collaborative tools to reduce business travel and carbon footprint.
 - o Replacement of obsolete systems with newer and energy efficient ones.
 - o Implementation of centralized printing services to reduce paper.
 - o Installation of energy-saving (LED) bulbs at our Corporate Head Office and branches since 2019 aimed at reducing energy consumption.
 - o Generator shutdown policy that has helped in reducing CO2 emission significantly, manage energy consumption and show our commitment to managing the risk of climate change.

3. Economic



Our economic approach integrates ESG concerns by applying corporate rules and ESG processes across all underwriting and business operation. We promote inclusive and sustainable economic growth across the nation by managing our ESG risks diligently across business unit.

- ❖ We embedded sustainable decision-making and actions into everything we do. To ensure accountability, our Executive Committee ensures that our sustainability strategy gets integrated into the business operations
- ❖ As a company, we have sustained compliance with the provisions of International Financial Reporting Standards (IFRS), and we will keep adhering to further changes as required by regulators
- ❖ In our commitment to data protection, we continuously track the requirements of General Data Protection Regulation (GDPR), Nigeria Data Protection Regulation (NDPR) and other relevant regulations by constantly creating awareness to our staff, customers and vendors preserve their security details from identity theft
- ❖ We are aware of the importance of data security to our continued existence, as such, we have a robust application and technology architecture that prevent data leakages and compromise. We have in place sophisticated tools to prevent cyber-attacks and promote data security. We also ensure customer privacy by aligning with best international practice
- ❖ As a result of the restriction on mobility and face-to-face interaction, we have digitalized our internal business applications to match industry standard, which has enabled an end-to-end automated service delivery and enhanced customer satisfaction. This provided an opportunity to accelerate and expand the adoption of online channels and digital platforms
- ❖ We have also sustained the use of our internal automated document storage system which aims at centralizing our documents for remote and real-time access

In conclusion, our sustainability pillars underpin our corporate strategy which takes an integrated approach to focus on the areas where we believe we can make the most difference while ensuring that the Cornerstone Insurance Plc remains socially, environmentally, and economically responsible.

2020 BOARD EVALUATION REPORT

DCSL Corporate Services Limited

235 Ikorodu Road
Ilupeju, Lagos

P. O. Box 965, Marina
Lagos, Nigeria
Tel: +234 9 1271 7817
www.dcscl.com.ng

Abuja Office:

Statement Hotel, Plot 1002
1st Avenue, Off Shehu Shagari
Way, Abuja

Tel: +234 9 461 4902
RC NO. 352393

June 2021

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS OF CORNERSTONE INSURANCE PLC FOR THE YEAR ENDED DECEMBER 31, 2020.

DCSL Corporate Services Limited (DCSL) was engaged by Cornerstone Insurance Plc ("Cornerstone") to carry out a performance evaluation of the Board of Directors for the year-ended December 31, 2020 in line with the provisions of the Nigerian Code of Corporate Governance 2018 (NCCG), National Insurance Commission (NAICOM) Regulations and the Securities and Exchange Commission (SEC) Corporate Governance Guidelines (SCGG), as well as global best practices on Corporate Governance.

The appraisal entailed a review of the Company's corporate and statutory documents, Minutes of Board and Committee meetings, policies and other ancillary documents made available to us as well as the administration of questionnaires to Directors.

To ascertain the extent of compliance with relevant corporate governance principles and appraise the performance of the Board, we benchmarked the Company's corporate governance structures, policies and processes against the above mentioned Codes as well as global Best Practices and considered the following seven key corporate governance themes:

1. Board Structure and Composition;
2. Strategy and Planning;
3. Board Operations and Effectiveness;
4. Measuring and Monitoring of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure

The Board has the responsibility for putting in place adequate corporate governance structures and practices and approving policies that will ensure the Company carries on its business in accordance with its Memorandum and Articles of Association as well as in conformity with applicable laws, codes and regulations to guarantee sustainability. Upon the conclusion of the performance evaluation of the Board, we confirm that the Board and Company substantially complied with the provisions of the Code, Regulations and Guidelines and corporate governance best practice.

The commendable attendance recorded by Directors at Board and Committee meetings during the period under review, is a clear indication of their dedication and genuine interest in stewarding the Company's affairs, developing and monitoring the Company's strategies, and ensuring the overall success of the Company.

Details of our key findings and recommendations are contained in our detailed Report.

Yours faithfully,
For: DCSL Corporate Services Ltd



Bisi Adeyemi
Managing Director
FRC /2013/NBA/00000002716

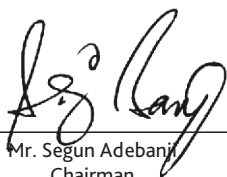
Directors: • Abel Ajayi (Chairman) • Obi Ogbechi • Adeniyi Obe • Dr. Anino Emuwa • Adebisi Adeyemi (Managing Director)

DCSL
DCSL Corporate Services Limited

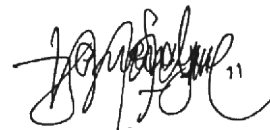
RISK MANAGEMENT DECLARATION

We, the Directors, on behalf of Cornerstone Insurance Plc, hereby affirm to the best of our knowledge and belief, having made appropriate enquiries, that:

- a. The Company has instituted an operational structure aimed at adhering to the guidelines established by the National Insurance Commission in relation to establishing a risk management framework for insurers and reinsurers in Nigeria;
- b. The Board is satisfied with the efficacy of the methods surrounding the production of financial information of the Company; and
- c. The Enterprise Risk Management and Internal Control structure and functions are embedded in the Company's operational framework and are functioning effectively.



Mr. Segun Adebani
Chairman
FRC/2014/ICAN/00000008434
16 April 2021



Mr. Ganiyu Musa
Group Managing Director/CEO
FRC/2013/ICAN/00000003110
16 April 2021

REPORT OF THE STATUTORY AUDIT COMMITTEE

To the Shareholders of Cornerstone Insurance Plc

In compliance with the provisions of Section 404(7) of the Companies and Allied Matters Act (CAMA) 2020, the members of the Statutory Audit Committee of Cornerstone Insurance Plc report on the consolidated and separate financial statements for the year ended 31 December 2020 as follows:

- We confirm that the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices;
- We have reviewed the scope and planning of audit requirements;
- We have reviewed the findings on management matters in conjunction with the external auditor and departmental responses thereon;
- We have kept under review the effectiveness of the company's system of accounting and internal control; and
- We have made recommendations to the Board regarding the appointment, removal and remuneration of the external auditors of the company.

SIGNED ON BEHALF OF THE COMMITTEE BY:



Mr. Henry Olayemi
Chairman Statutory Audit Committee
FRC/2013/CISN/00000005191
16 April 2021

Members of the Statutory Audit Committee are:

Mr. Henry Olayemi
Mr. Chibuzor Eke
Mr. Oyetunde Olaitan Emilius
Mr. Anthony Egbuna
Ms. Elizabeth Amadiume
Mr. Steve Iwenjora

Shareholders' representative
Shareholders' representative
Shareholders' representative
Non-Executive Director
Non-Executive Director
Non-Executive Director

Chairman
Member
Member
Member
Member
Member

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

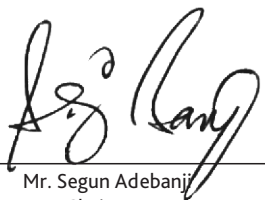
for the year ended 31 December 2020

The Directors accept responsibility for the preparation of the annual consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020, the Financial Reporting Council of Nigeria Act 2011, the Insurance Act 2003 and relevant National Insurance Commission ("NAICOM") circulars.

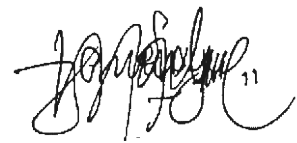
The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA) 2020 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made assessment of the Group and Company's ability to continue as a going concern and have no reason to believe that the Group and Company will not remain a going concern in the year ahead.

Signed on behalf of the Directors by:



Mr. Segun Adebajir
Chairman
FRC/2014/ICAN/00000008434
16 April 2021



Mr. Ganiyu Musa
Group Managing Director/CEO
FRC/2013/ICAN/00000003110
16 April 2021

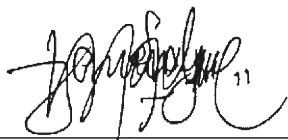
STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

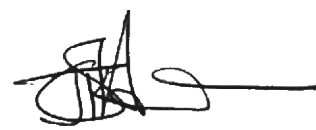
Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA) 2020, we, the Group Managing Director and Chief Financial Officer, hereby certify the financial statements of Cornerstone Insurance Plc for the year ended 31 December 2020 as follows:

- a) That we have reviewed the audited consolidated and separate financial statements of the Company for the year ended 31 December 2020.
- b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c) That the audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2020.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to us by other officers of the companies, during the period ended 31 December 2020.
- e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited consolidated and separate financial statements, and certify that the Company's internal controls are effective as of that date.
- f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- g) That we have disclosed the following information to the Company's Auditors and Audit Committee:
 - (i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and
 - (ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control.

Signed on behalf of the Directors by:



Mr. Ganiyu Musa
Group Managing Director/CEO
FRC/2013/ICAN/0000000311 0
16 April 2021



Mr. Kehinde Olorundare
Chief Financial Officer
FRC/2013/ICAN/00000000731
16 April 2021

**KPMG Professional Services**

KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet www.kpmg.com/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cornerstone Insurance Plc

Report on the Audit of the Consolidated and Separate Financial Statements**Opinion**

We have audited the consolidated and separate financial statements of Cornerstone Insurance Plc ("the Company") and its subsidiaries (together, "the Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December, 2020;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiaries as at 31 December, 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the Group and Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG Professional Services, a Partnership established under Nigeria laws, is a member of KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

Registered in Nigeria No BN 986925

Partners:

Adegoke A. Oyelami	Chibuzor N. Anyanechi	Martins I. Arogie	Olutoyin I. Ogunlowo
Adekunle A. Elebute	Chineme B. Nwigbo	Mohammed M. Adama	Oluwafemi O. Awotoye
Adetola P. Adeyemi	Elijah O. Oladunmoye	Nneka C. Eluma	Oluwatoyin A. Gbagi
Adewale K. Ajayi	Goodluck C. Obi	Olabinpe S. Afolabi	Tayo I. Ogungbenro
Ajibola O. Olomola	Ibitomi M. Adepoju	Oladimeji I. Salaudeen	Temitope A. Onitiri
Akinyemi Ashade	Ijeoma T. Emezie-Ezigbo	Olanike I. James	Tolulope A. Odukale
Ayobami L. Salami	Joseph O. Tegbe	Olufemi A. Babem	Victor U. Onyenkpa
Ayodele A. Soyinka	Kabir O. Okunlola	Olumide O. Olayinka	
Ayodele H. Othihiwa	Lawrence C. Amadi	Olusegun A. Sowande	



Actuarial valuation of insurance contract liabilities

The actuarial valuation of life and non-life insurance contract liabilities involves high estimation uncertainties and the application of significant judgment over uncertain future outcomes.

Provisions for reported claims are based on historical experience, however, the eventual liabilities may differ from the estimated amounts.

In respect of non-life insurance contract liabilities, the estimated liability for claims that have been incurred but not yet reported and unexpired risk reserve involves significant economic assumptions in the determination of projected cash flows, claims development, ultimate loss ratios, inflation rates and discount rates. In addition, key assumptions such as mortality rates and discount rates are key inputs used to estimate life insurance contract liabilities.

The level of complexity, the judgments and assumptions involved in estimating these liabilities make the actuarial valuation of insurance contract liabilities a matter of significance to our audit.

How the matter was addressed in our audit

- Our audit procedures included the following
- :We evaluated the design and implementation of key controls implemented by the Group around the collection of data including management review of data used for the valuation of insurance contract liabilities.
- We tested the accuracy and completeness of the underlying data such as outstanding claims, claims paid, claims recoveries and underwriting data used in the actuarial valuations on a sample basis by agreeing it to relevant source documentation.
- We engaged our actuarial specialist to assess the reasonableness of the methodology used by the Group's external actuaries in determining the insurance contract liabilities by assessing the appropriateness of the valuation methods and the inputs applied by comparing them against standard actuarial practices.
- With the assistance of our actuarial specialist, we evaluated the reasonableness of the assumptions used by the Group's external actuaries including the basic chain ladder runoff period, discount rates and inflation rate for non-life insurance contract liabilities. For life insurance contract liabilities, we evaluated the reasonableness of key assumptions used by the Group's external actuaries including assumptions on the mortality rate, inflation rate, and discount rate by comparing them against observable data.

Refer to the Group's accounting policy on insurance contract liabilities (Note 3.2), critical accounting estimates and judgments (Note 4(a)) and related disclosures on insurance risk (Note 48) of the consolidated and separate financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Consolidated Results at a Glance, Directors' Report, Corporate Governance Report, Risk Management Declaration, Report of the Statutory Audit Committee, Statement of Directors' Responsibilities, Statement of Corporate Responsibility and Other National Disclosures, which we obtained prior to the date of this auditor's report. It also comprises the Chairman's Statement, List and Profiles of the Directors and Management Staff, Complaints and Feedback, Management Discussions and Analysis, Share Capital History, Dividend History, Vision, Mission and Core Values, Returned and Unclaimed Dividend Warrants (together "the outstanding reports") which are expected to be made available to us after the date of this auditor's report, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA) 2020, the Financial Reporting Council of Nigeria Act. 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NA/COM") Circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA) 2020.

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account;

Penalties

The Company paid penalties in respect of contraventions of the requirements of the National Insurance Commission of Nigeria Guidelines and Circulars during the year ended 31 December 2020.

Akinyemi J. Ashade, FCA
FRC/2013/ICAN/00000000786
For: KPMG Professional Services
Chartered Accountants
18 May 2021
Lagos, Nigeria





Cornerstone
The future. Assured



Marine Cargo Insurance

Secure your cargo on high seas
Get our reliable cover

Get the Cornerstone Insurance Mobile App on your Smartphone



NAICOM/CC/ADV/2021/4329

Call us

01 280 6500 | 0700CORNERSTONE

CORPORATE OFFICE

21, Water Corporation Drive,
Off Ligali Ayorinde Street,
Victoria Island, Lagos

enquiries@cornerstone.com.ng
www.cornerstone.com.ng



Cornerstone
The future. Assured



CORPORATE
INFORMATION &
**ACCOUNTING
POLICIES**

1.1 Reporting entity

Cornerstone Insurance Plc (the Company) was incorporated on 26 July 1991 as a private limited liability company and converted to a public limited liability company on 17 June 1997. The Company's principal activity continues to be the provision of risk underwriting and related financial services to its customers. Such service includes the provision of Life and Non-life insurance services for both corporate and individual customers.

The Company has three subsidiaries - Fin Insurance Company Limited, Cornerstone Takaful Nigeria Limited and Cornerstone Leasing & Investment Limited. Cornerstone Leasing and Investment Limited commenced operations on 1 July 2004 and provides convenient asset acquisition options to both corporate organisations and individuals. Fin Insurance Company Limited was incorporated in 1981 as Yankari Insurance Company Limited. The name was changed to Fin Insurance Company Limited in 2008. The main activity of the subsidiary is the provision of General Insurance business. This includes Marine Insurance, Motor Insurance, Accident Insurance, Fire Insurance and other Non-life insurance services. Cornerstone Takaful Nigeria Limited is a company incorporated in Nigeria and its primary activity is the provision of Takaful insurance business. Cornerstone Takaful Nigeria Limited commenced operation on 1 April 2020. Cornerstone Insurance Plc has 99.99% equity interest in Cornerstone Takaful Nigeria Limited.

The Company currently has authorized share capital of ₦9.25 billion divided into 18.5 billion units of ordinary shares of 50k each with a fully paid up capital of ₦9.083 billion. The Company currently has its corporate head office at Victoria Island, Lagos with branches spread across major cities and commercial centres in Nigeria. These consolidated financial statements comprise the financial records of Company and its subsidiaries (together referred to as "the Group").

1.2 Principal activities

The Group is engaged in various business lines ranging from property-casualty insurance, life/ health insurance and leasing. The Group's products are classified at inception, for accounting purposes, as either Insurance contracts or Investment contracts.

A contract that is classified as insurance contract remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period; unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

1.3 Going concern

These consolidated and separate financial statements have been prepared using appropriate accounting policies, supported by reasonable judgments and estimates. The Directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the Group has adequate resources to continue as going concern for the foreseeable future and has no intention or need to reduce substantially its business operations. Liquidity ratio and continuous evaluation of current ratio of the Group is carried out to ensure that there are no going concern threats to the operation of the Group.

2.1 Basis of accounting

Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020, the Financial Reporting Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission (NAICOM) circulars. The financial statements were authorised by the Board of directors on 23 February 2021.

2.2 Functional and presentation currency

These consolidated and separate financial statements are presented in Nigerian Naira, which is the Group's and Company's functional and presentation currency. Except as indicated, financial information presented in Naira has been rounded to the nearest thousand.

2.3 Basis of measurement

These consolidated and separate financial statements have been prepared under the historical cost basis except for the following items which are measured on an alternative basis on each reporting date:

- financial instruments at fair value through profit or loss measured at fair value.
- available-for-sale financial instruments measured at fair value
- insurance contract liabilities measured at present value of projected cash flows
- investment properties measured at fair value

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and separate financial statements are described in note 4.

2.5 Reporting period

The financial statements have been prepared for a 12-month period from 1 January 2020 to 31 December 2020.

2.6 Changes in significant accounting policies

The Group has consistently applied the accounting policies as set out in note 3 to all periods presented in these financial statements. The effective standards that have been adopted for financial year ended 31 December 2020 which had no material impact on the disclosures or on the amounts reported in the financial statements are as follows:

The Company has not early adopted any other Standards, interpretations or amendments that has been issued but not yet effective.

(I) Amendments to IFRS 9, IAS 39 and IFRS 7

The IASB, in September 2019 issued amendments to IFRS 9, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company as it does not have financial instruments that reference IBORs at 31 December 2020 or apply hedge accounting to any of its benchmark interest rate exposures.

(ii) Amendments to IFRS 3

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. The amendments remove the assessment of whether market participants can replace any missing inputs or processes and continuing to produce outputs. The amendment clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

(iii) Amendments to IAS 1 and IAS 8

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to, the Company.

(iv) The Conceptual framework for financial reporting

The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements regarding references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. These amendments had no impact on the financial statements of the Company.

(iv) Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Company.

2.7 Effective standards not yet adopted by the Group

IFRS 9 Financial Instruments

IFRS 9 became effective for financial year commencing on or after 1 January 2018 but the standard has not been adopted in preparing these financial statements as the Group elected to adopt the deferral approach available to insurance companies.

IFRS 9 is part of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39.

IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only three classification categories: amortised cost, fair value through OCI and fair value through profit or loss.

Furthermore for non-derivative financial liabilities designated at fair value through profit or loss, it requires that the credit risk component of fair value gains and losses be separated and included in OCI rather than in the income statement.

Classification and Measurement

The standard uses one primary approach to determine whether to measure a financial asset at amortised cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL) as against the IAS 39 classifications of FVTPL, Available-for-Sale (AFS) financial assets, Loans and Receivables and Held-to-Maturity (HTM) investments. The Group's business model is the determining factor for classifying its financial assets. Financial assets are measured at amortised cost if the business objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest (SPPI). Financial assets are measured at fair value through OCI if the business's objective is to collect contractual cash flows as well as cash flows from selling the asset.

The final category of financial assets are those assets where the business model is neither to hold for solely to collect the contractual cashflows nor selling to collect the cashflows and therefore classified as at fair value through profit or loss. These are financial assets that are held with the objective of trade and to realize fair value changes. The Group can also designate some of its financial assets at fair value through profit or loss if this helps to eliminate an accounting mismatch.

The table below provides the expected changes in classification on adoption of IFRS 9:

FINANCIAL ASSETS 31 December 2020	IAS 39 classification	IFRS 9 classification	Group Carrying Amount 31 Dec 2020	Company Carrying Amount 31 Dec 2020
Cash and cash equivalents	Loans and receivables	Amortised cost	11,662,703	8,175,263
Financial assets at fair value through profit or loss	FVTPL	FVTPL	7,206,517	7,171,687
Available-for-sale financial assets:				
- Government & corporate bonds	AFS	FVTOCI	4,719,144	4,027,596
- Unquoted equity securities	AFS	FVTPL	87,500	87,500
- Quoted equity securities	AFS	FVTPL	1,336,291	776,906
Loans and receivables	Loans and receivables	Amortised cost	288,274	288,274
Held-to-Maturity investments	Held to maturity	Amortised cost	3,681,466	629,868
Trade receivables	Loans and receivables	Amortised cost	154,580	108,675
Other receivables (less prepayments and other assets)	Loans and receivables	Amortised cost	84,492	310,628
Reinsurance assets (less prepaid reinsurance, outstanding claims and IBNR)	Loans and receivables	Amortised cost	550,591	497,233

COMPANY INFORMATION AND STATEMENT OF ACCOUNTING POLICIES Cont'd

FINANCIAL ASSETS 31 December 2019	IAS 39 classification	IFRS 9 classification	Group Carrying Amount 31 Dec 2019	Company Carrying Amount 31 Dec 2019
Cash and cash equivalents	Loans and receivables	Amortised cost	12,649,384	8,193,360
Financial assets designated at fair value	FVTPL	FVTPL	1,989,247	1,989,247
- Available-for-sale assets	AFS	FVTOCI	3,652,605	3,652,605
- Government & corporate bonds	AFS	FVTPL	87,500	87,500
- Unquoted equity securities	AFS	FVTPL	1,695,843	782,379
- Quoted equity securities				
Loans and receivables	Loans and receivables	Amortised cost	327,781	327,781
Held-to-Maturity investments	Loans and receivables	Amortised cost	2,484,225	1,978,718
Trade receivables	Loans and receivables	Amortised cost	60,183	58,100
Other receivables (less prepayments and other assets)	Loans and receivables	Amortised cost	449,665	422,081
Reinsurance assets (less prepaid reinsurance, outstanding claims and IBNR)	Loans and receivables	Amortised cost	1,171,205	1,171,205

Impairment

IFRS 9 also requires that credit losses expected at the balance sheet date (rather than those incurred as at year-end) are reflected at the date of reporting on all financial assets. This approach is an expected credit loss (ECL) model as opposed to the incurred credit loss model under IAS 39. This approach does not require a credit loss event to have occurred before the recognition of the loss at the reporting date. The amount of the expected credit losses is expected to be updated at each reporting date to reflect changes in credit risks since initial recognition.

ECL is determined by multiplying the Exposure At Default (EAD) by the Probability of Default (PD) and the Loss Given Default (LGD).

The Group and Company do not currently have an Expected Credit Loss (ECL) model for financial assets; hence the potential impact of the ECL impairment on profit or loss and equity has not been estimated. However, it is not expected that the impact would be significant due to the nature of the financial assets in the Group and Company.

Amendments to IFRS 4 Applying IFRS 9 financial instruments with IFRS 4 insurance contracts

In September 2016, the IASB published an amendment to IFRS 4 which addresses the concerns of insurance companies about the different effective dates of IFRS 9 *Financial instruments* and the forth-coming new insurance contracts standard, IFRS 17. The amendment provides two different solutions for insurance companies: a temporary exemption from IFRS 9 (i.e. the deferral approach) for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. The effective date is 1 January 2018 or when the entity first applies IFRS 9. IFRS 4 (including the amendments) will be superseded by the forth-coming new insurance contracts standard, IFRS 17. Accordingly, both the temporary exemption and the 'overlay approach' are expected to cease to be applicable when the new insurance standard becomes effective.

In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the IASB issued amendments to IFRS 4 *Insurance Contracts*.

The amendments reduce the impacts, but companies need to carefully consider their IFRS 9 implementation approach to decide if and how to use them. The two optional solutions raise some considerations which require detailed analysis and management judgement.

The optional solutions are:

1. Temporary exemption from IFRS 9 – Some Companies will be permitted to continue to apply IAS 39 *Financial Instruments: Recognition and Measurement*. To qualify for this exemption the company's activities need to be predominantly connected with insurance. A company's activities are predominantly connected with insurance if, and only if:

- the amount of its insurance liabilities is significant compared with its total amount of liabilities; and
- the percentage of its liabilities connected with insurance relative to its total amount of liabilities is:
 - greater than 90 percent; or
 - less than or equal to 90 percent but greater than 80 percent, and the Company does not engage in a significant activity unconnected with insurance.

Liabilities connected with insurance include investment contracts measured at FVTPL, and liabilities that arise because the insurer issues, or fulfils obligations arising from these contracts (such as deferred tax liabilities arising on its insurance contracts).

COMPANY INFORMATION AND STATEMENT OF ACCOUNTING POLICIES Cont'd

2. Overlay approach – This solution provides an overlay approach to alleviate temporary accounting mismatches and volatility. For designated financial assets, a company is permitted to reclassify between profit or loss and other comprehensive income (OCI), the difference between the amounts recognised in profit or loss under IFRS 9 and those that would have been reported under IAS 39.

With respect to IFRS 9 above, the Group is eligible to apply IFRS 9 deferral approach since IFRS 9 has not been previously applied by the Group and the activities of the Group are predominantly connected with insurance. To determine if the Group's activities are predominantly connected with insurance, The Group has assessed the ratio of the Group's liabilities connected with insurance - including investment contracts liabilities - compared with its total liabilities. See the assessment below:

LIABILITIES		AS REPORTED (A)	Admissible for Predominance Test (B)	AS REPORTED (A)	Admissible for Predominance Test (B)
		Group	Group	Company	Company
		31-Dec-15	31-Dec-15	31-Dec-15	31-Dec-15
Investment contract liabilities		1,712,048	1,712,048	1,712,048	1,712,048
Insurance contract liabilities		5,619,756	5,619,756	4,862,365	4,862,365
Trade payables		384,017	384,017	331,222	331,222
Other payables and accruals		826,647	-	616,758	-
Current tax liabilities		340,539	-	246,725	-
Employees benefit obligations		7,523	-	7,523	-
Liabilities directly associated with assets classified as held-for-sale		5,497	-	-	-
		8,896,027	7,715,821	7,776,641	6,905,635
		Score = (B/A)%		86.7%	88.8%

The Group has elected to apply the temporary exemption from IFRS 9 (deferral approach) and qualifies for the temporary exemption based on the following:

- Its activities are predominantly connected with insurance contracts;
- As at 31 December 2015, which is the reporting date that immediately precedes 1 April 2016, the carrying amount of its liabilities arising from insurance contracts was ₦ 7.715b (Company: ₦ 6.91b) which was 86.7% (Company: 88.8%) of the total carrying amount of all its liabilities as at that date.
- The Group's activities have remained the same and are predominantly connected with insurance contracts. The majority of the activities from which the Group earns income and incur expenses are insurance-related.

Based on the above, the Group will apply IFRS 9 together with IFRS 17 in 2022.

Fair value disclosures

i) Financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest (SPPI)

The Group's financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding are as follows:

- Cash and cash equivalents
- Available-for-sale financial assets (Bonds)
- Loans and receivables
- Held-to-Maturity financial assets
- Trade receivables
- Reinsurance assets (less prepaid reinsurance and reinsurers' share of outstanding claims and IBNR)
- Other receivables (only financial receivables)
- Fair value through profit or loss (Bonds)

ii) Financial assets with contractual terms that do not give rise to cash flows that are solely payments of principal and interest.

These are financial assets that meet the definition of financial assets designated at fair value through profit or loss in line with IFRS 9; or that are managed and whose performance is evaluated on a fair value basis. These are:

- Financial assets measured through profit and loss (Investment in MTN shares)
- Equity securities and Investment funds

COMPANY INFORMATION AND STATEMENT OF ACCOUNTING POLICIES Cont'd

The expected fair value changes from the adoption of IFRS 9 are disclosed below.

Group - 31 December 2020

Category	Financial assets that meet the SPPI criteria			All other financial assets		
	IAS 39 Carrying Amount	IFRS 9 Fair Value	Fair Value Change (2020 Impact)	IAS 39 Carrying Amount	IFRS 9 Fair Value	Fair Value Change (2020 Impact)
	A	B	C = B - A	A	B	C = B - A
Cash and cash equivalents (note 6)						
- Cash	813	813	-	-	-	-
- Balances with banks	3,483,133	3,483,133	-	-	-	-
- Short-term deposits	8,178,757	8,178,757	-	-	-	-
	11,662,703	11,662,703	-	-	-	-
Available-for-Sale (note 7(a))						
- Bonds	4,719,144	4,719,144	-	-	-	-
- Quoted equity securities	-	-	-	1,336,291	1,336,291	-
- Unquoted equity securities measured at fair value	-	-	-	-	-	-
- Unquoted equity securities measured at cost *	-	-	-	87,500	87,500	-
- Investment in CAPIC funds measured at cost *	-	-	-	1,823,500	1,458,800	(364,700)
- Investment in insurance pool measured at cost *	-	-	-	94,720	94,720	-
	4,719,144	4,719,144	-	3,342,011	2,977,311	(364,700)
Fair value through P/L (note 7(b))						
- Bonds measured at fair value	4,497,425	4,497,425	-	-	-	-
- MTN ordinary shares	-	-	-	2,709,092	2,709,092	-
	4,497,425	4,497,425	-	2,709,092	2,709,092	-
Loans and receivables (note 7(c))						
- Loans to policy holders	288,274	288,274	-	-	-	-
	288,274	288,274	-	-	-	-
Held-to-Maturity (note 7(d))						
- Treasury bills	-	-	-	-	-	-
- Bonds	1,257,700	1,257,700	-	-	-	-
- Long term deposit	2,423,766	2,423,766	-	-	-	-
	3,681,466	3,681,466	-	-	-	-
Trade receivables (note 8)						
- Premium receivable	154,580	154,580	-	-	-	-
	154,580	154,580	-	-	-	-
Other receivables (note 9)						
- Dividend receivable	9,833	9,833	-	-	-	-
- Receivables from Meristem	9,312	9,312	-	-	-	-
- Insurance recoverable	3,221	3,221	-	-	-	-
- Due from Staff	28,910	28,910	-	-	-	-
- Other receivables	423,539	423,539	-	-	-	-
	474,815	474,815	-	-	-	-
Reinsurance assets (note 10)						
- Reinsurance assets excluding prepaid reinsurance and reinsurers' share of outstanding claims and IBNR	550,591	550,591	-	-	-	-
	550,591	550,591	-	-	-	-
Total	26,028,998	26,028,998	-	6,051,103	5,686,403	(364,700)

* The fair values of these financial assets approximate their cost.

COMPANY INFORMATION AND STATEMENT OF ACCOUNTING POLICIES Cont'd

Group - 31 December 2020

Category	Financial assets that meet the SPPI criteria			All other financial assets		
	IAS 39 Carrying Amount	IFRS 9 Fair Value	Fair Value Change (2020 Impact)	IAS 39 Carrying Amount	IFRS 9 Fair Value	Fair Value Change (2020 Impact)
	A	B	C = B - A	A	B	C = B - A
Cash and cash equivalents (note 6)						
- Cash	467	467	-	-	-	-
- Balances with banks	1,969,187	1,969,187	-	-	-	-
- Short-term deposits	6,205,609	6,205,609	-	-	-	-
	8,175,263	8,175,263	-	-	-	-
Available-for-Sale (note 7(a))						
- Bonds	4,027,596	4,027,596	-	-	-	-
- Quoted equity securities	-	-	-	776,906	776,906	-
- Unquoted equity securities measured at fair value	-	-	-	-	-	-
- Unquoted equity securities measured at cost *	-	-	-	87,500	87,500	-
- Investment in CAPIC funds measured at cost *	-	-	-	1,823,500	1,458,800	(364,700)
- Investment in insurance pool measured at cost *	-	-	-	94,720	94,720	-
	4,027,596	4,027,596	-	2,782,626	2,417,926	(364,700)
Fair value through P/L (note 7(b))						
- Bonds measured at fair value	4,497,425	4,497,425	-	-	-	-
- MTN ordinary shares	-	-	-	2,674,262	2,674,262	-
	4,497,425	4,497,425	-	2,674,262	2,674,262	-
Loans and receivables (note 7(c))						
- Loans to policy holders	288,274	288,274	-	-	-	-
	288,274	288,274	-	-	-	-
Held-to-Maturity (note 7(d))						
- Bonds	-	-	-	-	-	-
- Long term deposit	629,868	629,868	-	-	-	-
	629,868	629,868	-	-	-	-
Trade receivables (note 8)						
- Premium receivable	108,675	108,675	-	-	-	-
	108,675	108,675	-	-	-	-
Other receivables (note 9)						
- Due from subsidiaries	245,888	245,888	-	-	-	-
- Dividend receivable	-	-	-	-	-	-
- Receivables from Meristem	9,312	9,312	-	-	-	-
- Insurance recoverable	3,221	3,221	-	-	-	-
- Due from Staff	26,124	26,124	-	-	-	-
- Other receivables	386,550	386,550	-	-	-	-
	671,095	671,095	-	-	-	-
Reinsurance assets (note 10)						
- Reinsurance assets excluding prepaid reinsurance and reinsurers' share of outstanding claims and IBNR	497,233	497,233	-	-	-	-
	497,233	497,233	-	-	-	-
Total	18,895,429	18,895,429	-	5,456,888	5,092,188	(364,700)

* The fair values of these financial assets approximate their cost.

2.8 List of Standards, Amendments to Standards and Interpretations effective for a 31 December 2020 year-end

The effective interpretations and standards that need to be considered for financial years ended 31 December 2020 are listed below:

- Amendments to References to Conceptual Framework in IFRS Standards
- Amendments to IFRS 3 - Definition of a Business
- Amendment to IFRS 16 - COVID-19-Related Rent Concessions
- Amendments to IAS 1 and IAS 8 - Definition of Material

2.9 New standards, interpretations and amendments to existing standards not yet adopted by the Group

The following new or revised standards or amendments which have a potential impact on the Group are not yet effective for the year ended 31 December 2020 and have not been applied in preparing these financial statements. The Group is currently assessing the impact of the new or revised standards or amendments.

Pronouncement	Summary of the requirements and impact assessment	Effective date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	<p>The amendments address issues that might affect financial reporting as a result of the reform of an interbank rate benchmark, including the effects of changes of contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to:</p> <ul style="list-style-type: none"> • Changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. 	<p>1 January 2021</p> <p>Early adoption is permitted</p>
Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	<ul style="list-style-type: none"> • IFRS 1 First Time Adoption of International Financial Reporting Standards - The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS later than its parent) that applies IFRS 1.D16(a) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. • IFRS 9 Financial Instruments - The amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. • IFRS 16 Leases – The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive. • IAS 41 Agriculture - The amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement. 	<p>1 January 2022</p> <p>Early adoption is permitted</p>

COMPANY INFORMATION AND STATEMENT OF ACCOUNTING POLICIES Cont'd

Amendments to IAS 16	<p>The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before its intended use by management. As such, proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.</p> <p>Companies will therefore need to distinguish between:</p> <ul style="list-style-type: none"> • costs associated with producing and selling items before the item of property, plant and equipment is available for use; and • costs associated with making the item of property, plant and equipment available for its intended use. <p>Making this allocation of costs may require significant estimation and judgement. The amendments also clarify that testing whether an item of PPE is functioning properly means assessing its technical and physical performance rather than assessing its financial performance – e.g. assessing whether the PPE has achieved a certain level of operating margin. The amendments are not expected to have a material impact on the Company.</p>	The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted.
Amendments to IAS 37	<p>The amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets clarify that costs of fulfilling a contract comprise both:</p> <ul style="list-style-type: none"> • the incremental costs – e.g. direct labour and materials; and • an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. This clarification is applicable for companies that apply the 'incremental cost' approach and they will need to recognise bigger and potentially more provisions. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 to contracts at the date when the amendments are first applied. Earlier application is permitted. The amendments are not expected to have a material impact on the Company. 	<p>1 January 2022</p> <p>Early adoption is permitted</p>
IAS 1 Presentation of Financial Statements	<p>Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.</p> <p>There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.</p> <p>The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.</p> <p>The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation</p>	The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

COMPANY INFORMATION AND STATEMENT OF ACCOUNTING POLICIES Cont'd

IFRS 17 <i>Insurance Contracts</i>	<p>IFRS 17 supercedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:</p> <ul style="list-style-type: none"> - Reinsurance contracts held; - Direct participating contracts; and - Investment contracts with discretionary participation features. <p>Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI.</p> <p>The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements.</p> <p>The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted.</p> <p>The Group is in the process of determining the impact of the standard. The Group will adopt the standard for the year ending 31 December 2022.</p>	Annual periods beginning on or after 1 January 2023
Sale or Contribution of Assets between an investor and its Associate or Joint Venture: (Amendments to IFRS 10 and IAS 28)	<p>These amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.</p> <p>This amendment is not expected to have a significant impact on the Group's financial statements.</p>	The effective date of this amendment has been deferred indefinitely by the IASB.
Amendments to IFRS 3	<p>The amendment has:</p> <ul style="list-style-type: none"> • updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; • added to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination and • added to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination. <p>This amendment is not expected to have a significant impact on the Group's financial statements.</p>	Annual periods beginning on or after 1 January 2022

3 Significant Account Policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

Except for the changes explained in note 2.6, the accounting policies set out below have been consistently applied to all periods presented in these financial statements.

3.1 Basis of Consolidation

Business combination and goodwill

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held (e.g. those resulting from a lending relationship) become substantive and lead to the Group having power over an investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Following the licence approval for Cornerstone Takaful Nigeria Limited (CNTL) and its subsequent commencement of operations as a stand alone Company, the financial position of CNTL has been consolidated and therefore included in the Group statement of financial position as at 31 December 2020.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related Non-controlling interest (NCI) and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Non-controlling interests

Non-controlling Interest (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Insurance contracts

(i) Classification

IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred.

Insurance contracts are those contracts when the insurer has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. The Group's insurance contract liabilities represent its liability to the policy holders. Liabilities for unpaid claims are estimated on case by case basis. The liabilities recognised for claims fluctuate based on the nature and severity of the claim reported. Claims incurred but not reported are determined using statistical analyses and the Group deems liabilities reported as adequate. The liability comprises reserves for unexpired risk, outstanding claims and incurred but not reported claims.

Financial guarantee contracts are recognised as insurance contracts. Liability adequacy testing is performed to ensure that the carrying amount of the liability for financial guarantee contracts is sufficient.

At the end of each accounting period, the insurance contract liability is reflected as determined by the actuarial valuation report.

The Group also insure events associated with human life (for example, death or survival) over a long duration and has short term life insurance contracts which protect the Company's policyholders from the consequences of events (such as death or disability) that would affect the ability of the insured or his/her dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured or the beneficiary.

A number of insurance and investment contracts contain a Discretionary Participation Feature (DPF). This feature entitles the holder to receive, as a supplement to guaranteed benefits, additional benefits or bonuses:

- That is likely to be a significant portion of the total contractual benefits.
- Whose amount or timing is contractually at the discretion of the Company; and
- That are contractually based on:
 - the performance of a specified pool of contracts or a specified type of contract
 - realised and /or unrealized investment returns on a specified pool of assets held by the Company
 - the profit or loss of the Company, fund or other entity that issues the contract.

Long-term insurance business (i.e. long-term insurance contracts with fixed and guaranteed terms, and long-term insurance contracts without fixed terms and with discretionary participation features -DPF) includes insurance business of all or any of the following classes, namely; life insurance business, superannuation business and business incidental to any such class of business. For contracts with DPF features, the actuary calculates the bonus due to the policy holders and is accounted for as part of the insurance or investment contract liabilities.

Life assurance business means the business of, or in relation to, the issuing of, or the undertaking of liability to pay money on death (not being death by accident or in specified sickness only) or on the happening of any contingency dependent on the termination or continuance of human life (either with or without provision for a benefit under a continuous disability insurance contract), and include a contract which is subject to the payment of premiums for a term dependent on the termination or continuation of human life and any contract securing the grant of an annuity for a term dependent upon human life.

(ii) Recognition and Measurement of Insurance contracts

Premium

Premium income is recognised on assumption of risks.

Gross written premiums for insurance contracts comprise premiums received in cash as well as premiums that have been received and confirmed as being held on behalf of the Company by insurance brokers and have been duly certified. Gross written premiums are stated gross of taxes payable and stamp duties that are payable to relevant regulatory bodies respectively.

Unearned premiums represent the proportions of premiums written in the year that relate to the unexpired risk of policies in force at the reporting date.

Gross premium income is gross written premiums less changes in unearned premium.

Claims

Claims incurred comprise claims and claims handling expenses incurred during the financial year and changes in the provision for outstanding claims. Claims and claims handling expenses are charged to profit or loss as incurred.

For long term insurance business, benefits are recorded as an expense when they are incurred. Claims arising on maturing policies are recognized when the claims become due for payment. Death claims are accounted for on notification. Surrenders are accounted for on payment.

Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date.

Adjustments to the amount of claims provisions established in prior years are accounted for prospectively in the financial statements for the period in which the adjustments are made, and disclosed separately if material.

Claims and loss adjustment expenses are recognised in statement of profit or loss when incurred based on the estimated liability for compensation owed to contract holders or third parties damaged by the contract holders.

Salvage and subrogation reimbursement

Some insurance contracts permit the Group to sell (usually damaged) property acquired in settling a claim (for example salvage). The Company may also have the right to pursue third parties for payment of some or all costs (for example subrogation).

Salvaged property is recognized in other assets when the amount that can reasonably be recovered from the disposal of the property has been established and salvage recoveries are included as part of claims recoveries. Subrogation reimbursements are recognized in claim recoveries when the amount to be recovered from the liable third party has been established.

(iii) Insurance contract liabilities

These represent the Company's liabilities to the policyholders. They comprise the unearned premium, outstanding claims and the incurred but not reported claims. At the end of each reporting period, these liabilities are reflected as determined by an actuarial valuation.

Unearned premium provision

The provision for unearned premiums represents the proportion of premiums written in the periods up to the accounting date that relate to the unexpired terms of policies in force at the end of the reporting date. This is estimated to be earned in subsequent financial periods, computed separately for each insurance contract using a time apportionment basis. The change in the provision is recorded in the income statement to recognise revenue over the period of the risk.

Reserve for unexpired risk

A provision for additional unexpired risk reserve is recognised for an underwriting year where it is envisaged that the estimated cost of claims and expenses exceed the unearned premium provision.

Reserve for outstanding claims

Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date.

Reserve for incurred but not reported claims (IBNR)

A provision is made for claims incurred but not yet reported as at the end of the financial year. This provision is based on the liability adequacy test report from the registered actuary engaged by the Group.

Liability adequacy test

At the end of each reporting period, liability adequacy tests are performed to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognised. In performing these tests, current best estimates of future contractual cash flows, claims handling and administration expenses, investment income backing such liabilities are considered. Long-term insurance contracts are measured based on assumptions set out at the inception of the contract. Any deficiency is recognised in profit or loss by increasing the carrying amount of the related insurance liabilities.

The Liability Adequacy Test (LAT) was carried out by a recognized firm of actuaries, O&A Hedge Actuarial Consulting (FRC/2019/00000012909)

Actuarial valuation

An actuarial valuation of the insurance contract liabilities is conducted annually to determine the liabilities on the existing policies as at the date of the valuation. Actuarial valuation of the life fund is conducted annually to determine the liabilities on the existing policies and the adequacy of the assets representing the insurance fund as at the date of valuation. All surpluses and deficits arising there from are charged to profit or loss. See note 48 for further details on actuarial valuation techniques, methodologies, assumptions etc.

3.3 Revenue recognition

(i) Gross premium written

Gross premium written comprises the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. It is recognized at the point of attachment of risk to a policy, gross of commission expense, and before deducting cost of reinsurance cover and unearned portion of the premium. Gross premium written and unearned premiums are measured in accordance with the policies set out in 3.2(ii) of the statement of accounting policies respectively.

(ii) Gross premium income

This represents the earned portion of premium received and is recognized as revenue including changes in unearned premium. Premiums are earned from the date of attachment of risk, over the insurance period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of risk reinsured.

(iii) Fees and commission income

Fees and commission income consists primarily of insurance agency and brokerage commission, reinsurance and profit commissions, policyholder administration fees and other contract fees. Reinsurance commissions receivable are deferred in the same way as acquisition costs. All other fee and commission income are recognized as the services are provided.

(iv) Investment income on financial assets

Investment income on financial assets is composed of interest income and dividend income.

Interest income is recognized in profit or loss as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

(v) **Realized gains and losses and unrealized gains and losses**

Realized gains and losses on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

Unrealized gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealized gains and losses in respect of disposals during the year.

(vi) **Other operating income**

Other operating income represents income generated from sources other than premium revenue and investment income. It includes rental income and profit on disposal of property and equipment. Rental income is recognized on an accrual basis. This also includes mudarabah income from the Takaful insurance

3.4 Expense recognition

(i) **Claims expenses**

Claims expenses consist of claims and claims handling expenses incurred within the reporting period, less the amount recoverable from the reinsurance companies.

(ii) **Insurance claims and claims incurred**

Gross claims consist benefits and claims paid/payable to policyholders, which include changes in the gross valuation of insurance contract liabilities, except for gross change in the unearned premium provision which are recorded in premium income. It further includes internal and external claims handling costs that are directly related to the processing and settlement of claims. Amounts receivable in respect of salvage and subrogation are also considered.

(iii) **Underwriting expenses**

Underwriting expense include acquisition costs and maintenance expense. Acquisition costs comprise direct and indirect costs associated with the writing of insurance contracts. These include commission expenses and other technical expenses. Maintenance expenses are expenses incurred in servicing existing policies and clients. All underwriting expenses are charged to profit or loss as they accrue or become payable.

(iv) **Management expenses**

Management expenses are recognised in profit or loss when goods are received or services rendered. They are expenses other than claims, maintenance and underwriting expenses and include employee benefits, depreciation charges and other operating expenses.

3.5 Reinsurance contracts

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the definition requirements for insurance contracts are reclassified as reinsurance contracts. Insurance contracts entered into by the Company under which the contract holder is another insurer are covered as insurance contracts.

Reinsurance assets and liabilities

Reinsurance assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in compliance with the terms of each reinsurance contracts. Reinsurance liabilities are primarily premiums payable for the reinsurance contracts and are recognized as an expense when due.

Reinsurance expense

Reinsurance expense represents outward reinsurance premiums and are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

Prepaid reinsurance premiums

Prepaid reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks- attaching contracts and over the term of the reinsurance contract for losses-occurring contracts.

Insurance claims recoverable from reinsurance companies

Insurance claims recoverables from reinsurance companies are estimated in manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's policies and are in accordance with the related insurance contract. They are measured at their carrying amount less impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each reporting date. If there is objective evidence of impairment, the Company reduces the carrying amount of its insurance assets to its recoverable amount and recognizes the impairment loss in profit or loss as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

3.6 Investment contracts

Investment contracts are those contracts that transfer financial risks with no significant insurance risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

The Group enters into investment contracts with guarantee returns and other businesses of savings nature. Those contracts are termed investment contract liabilities and are initially measured at fair value and subsequently at amortised cost.

Finance cost on investment contract liabilities is recognised as an expense in profit or loss using the effective interest rate.

3.7 Deferred acquisition costs

The incremental costs directly attributable to the acquisition of new business which has not expired at the reporting date, are deferred by recognizing an asset. Acquisition costs include both incremental acquisition costs and other indirect costs of acquiring and processing new businesses.

Deferred acquisition costs are amortised systematically over the life of the contracts at each reporting date.

3.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank and call deposits and other short-term highly liquid investments with original maturities of three months or less, which are subject to insignificant risk of changes in their fair value and used by the Group to manage its short term commitments. Cash and cash equivalents are measured at amortised cost in the statement of financial position.

3.9 Financial Instruments***Classification***

The classification of the Group's financial assets depends on the nature and purpose of the financial assets and are determined at the time of initial recognition. The financial assets have been recognised in the statement of financial position and measured in accordance with their assigned classifications.

The Group classifies its financial assets into the following categories:

- financial assets at fair value through profit or loss (FVTPL);
- held-to-maturity financial assets; and
- loans and receivables.
- available-for-sale financial assets

The Group's financial liabilities are classified as other financial liabilities. They include trade and other payables.

Initial recognition

All financial instruments are initially recognized at fair value, which includes directly attributable transaction costs for financial instruments not classified as fair value through profit and loss.

Subsequent Measurement

Subsequent to initial recognition, financial assets are measured either at fair value or amortised cost, depending on their categorization as follows:

Financial Assets at Fair Value through Profit or Loss (FVTPL)

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial asset at fair value through profit or loss are measured at fair value and changes therein, including any interest expense or dividend income, are recognised in profit or loss.

Held-to-maturity investments

Held-to-maturity financial assets are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or available-for-sale. Held-to-maturity financial assets are carried at amortised cost using the effective interest method. Any sale or reclassification of a significant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale and this prevents the Group from classifying investment securities as held-to-maturity for the current and the following two financial years.

However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

- Sales or reclassification that are so close to maturity that changes on the market rate of interest would not have a significant effect on the financial asset's fair value.
- Sales or reclassification after the Group has collected substantially all the asset's original principal.
- Sales or reclassification attributable to non-recurring isolated events beyond the Group's control that could not have been reasonably anticipated.

Loans and receivables

Loans and receivables on the statement of financial position comprise trade receivables and other receivables.

Loans and receivables, after initial measurement, are measured at amortized cost, using the effective interest rate method less any impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate.

When the asset is impaired, the impairment losses are carried on the statement of financial position as a deduction from the carrying amount of the loans and receivables and recognized in profit or loss as impairment losses.

Available-for-sale financial assets

Available-for-sale investments are non-derivative investments that are not designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried at fair value.

Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss when the Group becomes entitled to the dividend. Foreign exchange gains or losses on available-for-sale debt security investments are recognised in profit or loss.

Other fair value changes are recognised directly in other comprehensive income until the investment is sold or impaired where upon the cumulative gains and losses previously recognised in other comprehensive income are recognised to profit or loss as a reclassification adjustment. As at the reporting date, the Group's investment in quoted equities are classified as available for sale financial assets except for investment in MTN Nigeria which is classified as fair value through profit or loss.

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Fair value measurement

Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses a valuation technique that maximises the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk and managed by the Group on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

Identification and measurement of impairment

At each reporting date, the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably. The Group considers evidence of impairment for loans and receivables and held-to-maturity investments individually and collectively. Assets showing signs of deterioration are assessed for individual impairment. All individually significant loans and receivables and held- to maturity investments found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets are impaired include significant financial difficulty of the obligor, default or delinquency by a borrower resulting in a breach of contract, restructuring of a loan or advance by the Group on terms that the Group would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below cost is objective evidence of impairment.

Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the carrying amount and current fair value out of equity to profit or loss. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit and loss, the impairment loss is reversed, with the amount of the reversal recognised in profit and loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income. The Group writes off certain loans and receivables when they are determined to be uncollectible.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions.

De-recognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for de-recognition that is created or retained by the Group is recognised as a separate asset or liability in the statement of financial position. On de-recognition of the financial assets, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit and loss. The Group enters into transactions whereby it transfers assets recognised on its financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the financial position.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

3.10 Trade receivables

Trade receivables comprise premium receivables. Premium receivables are those for which credit notes issued by brokers are within 30 days after the reporting date, in conformity with the "NO PREMIUM, NO COVER" NAICOM policy.

3.11 Foreign currency transactions

Foreign currency transactions are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the reporting date. Foreign currency differences are generally recognised in profit or loss.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

3.12 Trade and other payables

Trade payables

Trade payables are recognized when due. These include amounts due to agents, reinsurers and co-assurers. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. The fair value of a non interest bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is not applied.

Accruals and other payables

Other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is not applied.

3.13 Other receivables and prepayments

Other receivables principally consist of accrued income, intercompany receivable and sundry debtors. Prepayments are essentially prepaid rents, prepaid insurance and other prepaid balances. Other receivables are measured at amortised cost.

3.14 Investment properties

Investment properties are properties held to earn rentals or for capital appreciation (including property under construction for such) or for both purposes, but not for sale in the ordinary course of business.

Recognition and measurement

Investment properties are measured initially at cost plus any directly attributable expenses.

Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. Fair values of the investment properties are evaluated and assessed annually by an accredited external valuer.

De-recognition

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss in the period of de-recognition. The carrying amount of the asset represents the fair value of the asset as at the date of the latest valuation before disposal.

Transfers

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change. Subsequently, the property is re-measured to fair value and reclassified as investment property.

3.15 Investment in joint venture

A joint venture is an arrangement in which the Group has joint control as well as rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which the joint control ceases. The Group evaluates its investment in joint venture in line with the provisions of IFRS11 - Joint Venture.

3.16 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS

5. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

Depreciation is calculated over their estimated useful lives at the following rates:

Land	Not depreciated
Leasehold improvement	Over the shorter of the useful life of the item or the lease period
Office equipments	4 years
Furniture and fittings	5 years
Computer equipment	4 years
Motor vehicles	4 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell or the value in use.

3.17 Intangible assets

Computer software

Software acquired by the Group is stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is five years. Amortisation method, useful lives, and residual values are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition is included in profit or loss in the year the asset is derecognised.

3.18 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.19 Income and deferred tax**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted at the reporting date. Current tax also includes any tax arising from dividends.

Minimum tax

The Company is subject to the Finance Act (amendments made to Companies Income Tax Act (CITA)). Total amount of tax payable under the new Finance Act shall not be less than 0.5% of the Company's gross premium. Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In determining the amount of current and deferred tax, the Group considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made.

3.20 Statutory deposits

Statutory deposits are cash balances held with the Central Bank of Nigeria (CBN) in compliance with the Insurance Act 2003. The deposits are only available as a last resort to the Group if it goes into liquidation. Statutory deposits are measured at amortised cost.

3.21 Hypothecation of assets

The Company structured its assets to meet the requirements of the Insurance Act 2003 such that policyholders' assets and funds are not co-mingled with shareholders'.

In particular, investment securities and insurance funds hypothecated to policyholders are distinguished from those owned by the shareholders. The assets hypothecated are shown in note 44 of the financial statements.

3.22 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any

impairment loss on the assets associated with that contract.

3.23 Employee benefits

Short-term employee benefits/Personnel expenses

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due in respect of service rendered before the end of the reporting period. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. The Group contributes to a defined contribution pension scheme for its employees. Obligations in respect of the Group's contributions to the scheme are recognised as an expense in the profit and loss account on an annual basis. The employee and the Group contribute 8% and 10% respectively of basic salary, housing, and transport allowance to each employee's retirement savings account maintained with their nominated Pension Fund Administrators.

3.24 Earnings/loss per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. Earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted number of ordinary shares adjusted for any bonus shares issued.

3.25 Leases

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Company included the renewal period as part of the lease term for leases of office spaces and plant and machinery with shorter non-cancellable period (i.e., three to five years) where this is expressly stated in the lease contract or enforceable at law per the lease contract. The Company typically exercises its option to renew for these leases because there will be a significant negative effect on its operation if a replacement asset is not readily available. The renewal periods for leases of office spaces are not included as part of the lease term as these are not reasonably certain to be exercised.

Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be

Property lease classification – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

3.26 Segment reporting

Operating segments are identified and reported in consonance with the internal reporting policy of the Group that are regularly reviewed by the Chief Executive who allocates resources to the segment and assesses their performance thereof.

The Group's reportable segments, for management purpose, are organized into business units based on the products and services offered as follows:

- Non-life insurance
- Life insurance
- Takaful insurance
- Fin Insurance
- Leasing

3.27 Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Group has a present obligation as a result of past events which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability may crystallize.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent assets are never recognised but are disclosed in the financial statements when they arise.

3.28 Share capital and other reserves

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Where any of the Group entities purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

Share premium

This represents the excess amount paid by shareholders on the nominal value of the shares. This amount is distributable to the shareholders at their discretion. The share premium is classified as an equity instrument in the statement of financial position.

Treasury shares

Own equity instruments which are acquired (treasury shares) are deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in other capital reserves. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

Retained earnings/Accumulated losses

Retained earnings/Accumulated losses comprises undistributed profit/(loss) from previous years and the current year. Retained earnings/Accumulated losses is classified as part of equity in the statement of financial position.

Contingency reserve

The Nigerian Insurance regulations require the Group to make an annual appropriation to a statutory reserve. As stipulated by section 21(1) of Insurance Act 2003, the contingency reserve for Non-life insurance business is credited with the greater of 3% of total premium, or 20% of the net profits. This shall accumulate until it reaches the greater of minimum paid-up capital and 50% percent of the net premium. For life business, the contingency reserve is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reaches the amount of minimum paid-up capital.

AFS fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the assets are derecognised or impaired.

3.29 Discontinued operation

For discontinued operations, the Group presents discontinued operations in a separate line in the Income statement if an entity or a component of an entity has been disposed of or is classified as held for sale and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale. Net profit from discontinued operations includes the net total of operating profit and loss before tax from operations, including net gain or loss on sale before tax or measurement to fair value less costs to sell and discontinued operations tax expense. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group's operations and cash flows. If an entity or a component of an entity is classified as a discontinued operation, the Group restates prior periods in the Income statement.

4 Critical accounting estimates, judgement and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described below.

(a) Valuation of insurance contract liabilities

Long term insurance contract liabilities

The liability for long term insurance contracts is either based on current assumptions or on assumptions established at inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

Certain acquisition costs related to the sale of new policies are recorded as deferred acquisition costs (DAC) and are amortised to the income statement over time. If the assumptions relating to future profitability of these policies are not realised, the amortisation of these costs could be accelerated and this may also require additional impairment write-offs to the income statement.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Group bases mortality on standard industry rates published in the UK assured lives mortality tables A67/70 which reflect historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements as well as wide ranging changes to life style, which could result in significant changes to the expected future mortality exposure.

Estimates are also made as to future investment income arising from the assets backing long term insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

Assumptions on future expense are based on current expense levels, adjusted for expected expense inflation if appropriate.

Lapse and surrender rates are based on the Group's historical experience of lapses and surrenders.

Discount rates are based on current industry risk rates, adjusted for the Group's own risk exposure.

The valuation of the long term insurance contract liabilities was done by Mr. Layemo B. Abraham (FRC/2016/NAS/00000015764) of O & A Hedge Actuarial Consultant (FRC/2019/00000012909).

Short term insurance contract liabilities

For short term insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR). It can take a period of time before the ultimate claims cost can be established with certainty. An assessment is also performed to confirm if an additional reserve is required to be held if the unearned premium reserve is inadequate to cover all the future expected claims cost. Unearned premium (UPR) is assessed on a time apportioned basis.

The ultimate cost of outstanding claims is estimated by using one of the range of standard actuarial claims projection techniques - Chain Ladder method.

The main assumption underlying this technique is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

The Liability Adequacy Test (LAT) was carried out by Mr. Layemo B. Abraham (FRC/2016/NAS/00000015764) of O & A Hedge Actuarial Consultant (FRC/2019/00000012909). The claims reserve was calculated using the Discounted Inflation Adjusted Basic Chain Ladder method.

Sensitivity analysis has been included in note 48.

(b) Fair value measurement

The Group measures fair values using the following hierarchy of methods: Level 1: Quoted market price in an active market for an identical instrument

Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: This includes financial instruments, the valuation of which incorporate significant inputs for the asset or liability that is not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on inputs of a similar nature, historic observations on the level of the input or analytical techniques.

Valuation of land and building

On a determined basis, the Group engages the services of external, independent and qualified valuers to determine the fair value of the land and buildings depending on the measurement model adopted by the entities within the Group.

Valuation of investment properties

The Group's investment property is held for the purpose of capital appreciation and rental income generation. The Group's investment properties were revalued by an external, independent firm of estate surveyors and valuers, Orji & Partners. The name of the principal valuer is Mr. F.C Orji with FRC number (FRC/2013/NIESV/00000003947). Fair value gains have been recognized in the income statement in line with the fair value model of IAS 40.

(c) Income taxes

Non-life business

The current income tax charge is calculated on taxable income on the basis of the tax laws enacted or substantively enacted at the reporting date. The Company applies Section 16 of the Company Income Tax Act as amended by the Finance Act 2020. It states that an Insurance business shall be taxed as:

- an insurance company, whether proprietary or mutual, other than a life insurance company; or
- a Nigerian company whose profit accrued in part outside Nigeria
- The profit on which tax may be imposed, shall be ascertained by taking the gross premium, interest and other income receivable in Nigeria less reinsurance expenses. The following shall also be deducted from the balance so arrived at:
- a reserve fund for unexpired risks in the financial year computed on a time apportionment basis of the risks accepted during the financial year.
- claims and outgoings provided that any amount not utilised towards settlement of claims and outgoings shall be added to the total profits of the following year.

Life Business

The profits on which tax may be imposed in an insurance company is a life insurance company, whether proprietary or mutual, other than a Nigerian company which carries on business through a permanent establishment in Nigeria shall:

- be the investment income captured for tax purposes to income derived from the investment of shareholders' fund.

The Directors have adopted current tax practices in computing the tax liabilities. Actual results may differ from these estimates based on the interpretation by the tax authorities. The Directors acknowledge that changes in the application of the current tax practices can have a significant impact on the tax expense and tax liabilities recorded in the financial statements.

(d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, temporary differences between carrying amounts and tax bases of assets and liabilities to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



Cornerstone
The future. Assured

Third Party | Auto Variants | Enhanced Comprehensive



Motor Insurance

Drive with confidence
Shield your car TODAY!

Get the Cornerstone
Insurance Mobile App
on your Smartphone



NAICOM/CC/ADV/2021/4330

Call us

01 280 6500 | 0700CORNERSTONE

CORPORATE OFFICE

21, Water Corporation Drive,
Off Ligali Ayorinde Street,
Victoria Island, Lagos

enquiries@cornerstone.com.ng
www.cornerstone.com.ng



Cornerstone
The future. Assured



FINANCIAL **STATEMENTS**

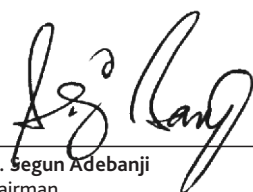
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION


for the year ended 31 December 2020

<i>In thousands of naira</i>	<i>Note</i>	Group 2020	Group 2019	Company 2020	Company 2019
Assets					
Cash and cash equivalents	6	11,662,703	12,649,384	8,175,263	8,193,360
Financial assets	7	18,402,727	12,661,308	14,065,366	11,169,338
Trade receivables	8	154,580	60,183	108,675	58,100
Other receivables and prepayments	9	612,224	405,460	789,101	434,060
Reinsurance assets	10	7,719,422	4,732,524	7,197,096	4,352,839
Deferred acquisition costs	11	567,596	257,866	466,196	219,592
Investment in joint venture	12	271,295	554,305	137,738	293,116
Deferred tax assets	23(c)	838,000	338,923	838,000	338,923
Investment in subsidiaries	13	-	-	3,620,847	2,954,748
Investment properties	14	602,000	560,000	-	-
Property and equipment	15	1,780,019	1,904,212	570,093	639,309
Intangible assets	16	17,648	29,364	13,500	29,364
Statutory deposit	17	1,200,000	1,000,000	500,000	700,000
Total Assets		43,828,214	35,153,529	36,481,875	29,382,749
Liabilities					
Investment contract liabilities	18	3,674,861	3,406,701	3,226,593	3,406,701
Insurance contract liabilities	19	18,746,225	11,730,130	17,203,861	10,703,380
Trade payables	20	1,619,695	3,591,779	1,403,882	3,481,119
Other payables and accruals	21	842,765	801,176	676,315	642,407
Deferred commission income	22	770,626	265,073	704,472	231,961
Current tax liabilities	23(b)	445,799	476,717	276,964	318,953
Employees benefit obligations	24	3,793	3,577	1,769	1,553
Total liabilities		26,103,764	20,275,153	23,493,856	18,786,074
Equity					
Share capital	25(a)	9,083,196	7,364,754	9,083,196	7,364,754
Share premium	25(b)	183,165	1,947,166	183,165	1,947,166
Treasury shares	25(c)	(58,440)	(48,175)	(58,440)	(48,175)
Retained Earnings/(Accumulated deficit)	25(d)	3,101,415	1,392,250	(431,800)	(1,844,004)
Contingency reserve	25(e)	4,017,271	3,545,360	3,305,027	2,942,312
Fair value reserves	25(f)	1,132,194	426,306	906,871	234,622
Shareholders' funds		17,458,800	14,627,661	12,988,019	10,596,675
Non-controlling Interest	25(g)	265,650	250,715	-	-
Total equity		17,724,450	14,878,376	12,988,019	10,596,675
Total liabilities and equity		43,828,214	35,153,529	36,481,875	29,382,749

The accounting policies and the accompanying notes form an integral part of these financial statements.

These financial statements were approved by the Board on 23 February 2021 and signed on its behalf by:


Mr. Segun Adebajji
Chairman
FRC/2014/ICAN/00000008434

Additionally Certified by:

Mr. Kehinde Olorundare
Chief Financial Officer
FRC/2013/ICAN/00000000731


Mr. Ganiyu Musa
Group Managing Director/CEO
FRC/2013/ICAN/00000003110

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2020

<i>In thousands of naira</i>	<i>Note</i>	Group 2020	Group 2019	Company 2020	Company 2019
Gross premium written	26(a)	17,539,219	13,058,899	15,787,124	11,583,704
Changes in unearned premium	26(b)	(1,820,508)	237,237	(1,576,275)	293,462
Gross premium income	26(b)	15,718,711	13,296,136	14,210,849	11,877,166
Changes in life fund	26(c)	(634,469)	53,102	(634,469)	53,102
Changes in life annuity fund	26(c)	(1,902,099)	(405,124)	(1,902,099)	(405,124)
Reinsurance expense	26(d)	(7,579,125)	(6,355,184)	(6,877,674)	(5,740,144)
Net premium income		5,603,018	6,588,930	4,796,607	5,785,000
Fees and commission income	27	1,617,999	1,143,006	1,447,461	1,010,298
Net underwriting income		7,221,017	7,731,936	6,244,068	6,795,298
Gross claims incurred	28(a)	(7,264,175)	(5,098,082)	(6,693,005)	(4,639,381)
Insurance claims recoveries from reinsurers	28(b)	3,308,904	2,029,214	3,201,106	1,908,280
Net claims expenses		(3,955,271)	(3,068,868)	(3,491,899)	(2,731,101)
Acquisition cost	29(a)	(1,709,394)	(1,476,999)	(1,447,008)	(1,267,022)
Maintenance cost	29(b)	(467,093)	(514,559)	(328,792)	(418,035)
Underwriting expenses		(2,176,487)	(1,991,558)	(1,775,800)	(1,685,057)
Underwriting results		1,089,258	2,671,510	976,369	2,379,140
Gain/(Loss) on deposit administration / investment contracts	18(a)	258,008	(186,336)	258,008	(186,336)
Investment income	30	1,157,830	1,128,420	732,354	771,790
Fair value changes in investment property	14	42,000	28,000	-	-
Fair value changes in financial assets - FVTPL	31	1,799,740	476,176	1,799,740	476,176
Net exchange gain	32(a)	1,349,534	67,305	935,838	59,393
Net trading income	32(b)	255,394	1,267,790	45,101	1,120,669
Other operating income	33	225,794	481,275	113,053	414,233
Share of profit/(loss) in joint venture	12(a)	(283,010)	1,586,483	(155,378)	871,010
Impairment losses on financial assets	34	(841,519)	(51,089)	(868,832)	(51,089)
Personnel expenses	35	(1,868,699)	(1,797,399)	(1,465,209)	(1,500,717)
Depreciation	15	(219,290)	(161,450)	(168,018)	(124,508)
Amortisation	16	(16,927)	(22,368)	(16,568)	(19,936)
Other Operating Expenses	36	(1,128,368)	(1,407,790)	(881,196)	(1,129,475)
Finance cost	37	(52,654)	(66,785)	(28,136)	(56,929)
Profit before income and minimum tax		1,767,092	4,013,742	1,277,126	3,023,421
Minimum tax	23(a)	-	(54,874)	-	(48,921)
Profit after minimum tax		1,767,092	3,958,868	1,277,126	2,974,500
Income tax expense	23(a)	427,764	150,055	461,045	(48,585)
Profit for the year from continuing operations		2,194,856	4,108,923	1,738,171	2,925,915
Profit from discontinued operations	5.8	-	-	36,748	11,309
Profit for the year		2,194,856	4,108,923	1,774,919	2,937,224
Attributable to shareholders		2,181,076	4,068,735	1,774,919	2,937,224
Attributable to non-controlling interest holders		13,780	40,188	-	-
		2,194,856	4,108,923	1,774,919	2,937,224
Other comprehensive income, net of tax					
<i>Items within OCI that may be reclassified to profit or loss</i>					
Fair value changes on available-for-sale securities	7(a)(iv)	707,043	357,395	672,249	167,360
		707,043	357,395	672,249	167,360
Other comprehensive income, net of tax		707,043	357,395	672,249	167,360
Total comprehensive (loss)/income for the year		2,901,899	4,466,318	2,447,168	3,104,584
Attributable to shareholders		2,886,964	4,419,821	2,447,168	3,104,584
Attributable to non-controlling interest		14,935	46,497	-	-
		2,901,899	4,466,318	2,447,168	3,104,584
Basic and diluted earning per share (Kobo)	38	12	28	10	20

The accounting policies and the accompanying notes form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2020

Group	Share Capital	Share Premium	Retained Earnings/(Losses)	Treasury Shares	Contingency Reserve	Fair Value Reserves	Shareholders' Equity	Non Controlling Interest	Total
<i>In thousands of naira</i>									
At 1 January 2020	7,364,754	1,947,166	1,392,250	(48,175)	3,545,360	426,306	14,627,661	250,715	14,878,376
Total comprehensive income for the year									
Profit for the year	-	-	2,181,076	-	-	-	2,181,076	13,780	2,194,856
Fair value changes on available-for-sale securities	-	-	-	-	-	705,888	705,888	1,155	707,043
Total other comprehensive income for the year	-	-	2,181,076	-	-	705,888	2,886,964	14,935	2,901,899
<i>Transactions with owners, recorded directly in equity</i>									
Transfer to contingency reserve	-	-	(471,911)	-	471,911	-	-	-	-
Bonus issues transferred from Share Premium	1,718,442	(1,718,442)	-	-	-	-	-	-	-
Share issuing cost	-	(45,560)	-	-	-	-	(45,560)	-	(45,560)
Addition to treasury shares	-	-	-	(10,265)	-	-	(10,265)	-	(10,265)
Total contributions by and distributions to equity holders	1,718,442	(1,764,002)	(471,911)	(10,265)	471,911	-	(55,825)	-	(55,825)
Balance as at 31 December 2020	9,083,196	183,165	3,101,415	(58,440)	4,017,271	1,132,194	17,458,800	265,650	17,724,450

For the year ended 31 December 2019

Group	Share Capital	Share Premium	Retained Earnings/(Losses)	Treasury Shares	Contingency Reserve	Fair Value Reserves	Shareholders' Equity	Non Controlling Interest	Total
<i>In thousands of naira</i>									
At 1 January 2019	7,364,754	1,947,166	(1,921,005)	(48,175)	2,789,880	75,220	10,207,840	204,218	10,412,058
Total comprehensive income for the year									
Profit for the year	-	-	4,068,735	-	-	-	4,068,735	40,188	4,108,923
Fair value changes on available-for-sale securities	-	-	-	-	-	351,086	351,086	6,309	357,395
Total other comprehensive income for the year	-	-	4,068,735	-	-	351,086	4,419,821	46,497	4,466,318
<i>Transactions with owners, recorded directly in equity</i>									
Transfer to contingency reserve	-	-	(755,480)	-	755,480	-	-	-	-
Total contributions by and distributions to equity holders	-	-	(755,480)	-	755,480	-	-	-	-
Balance as at 31 December 2019	7,364,754	1,947,166	1,392,250	(48,175)	3,545,360	426,306	14,627,661	250,715	14,878,376

The accounting policies and the accompanying notes form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2020

Company	Share Capital	Share Premium	Retained Earnings/(Losses)	Treasury Shares	Contingency Reserve	AFS Fair Value Reserve	Shareholders' Equity	Total
<i>In thousands of naira</i>								
At 1 January 2020	7,364,754	1,947,166	(1,844,004)	(48,175)	2,942,312	234,622	10,596,675	10,596,675
Total comprehensive income for the year								
Profit for the year	-	-	1,774,919	-	-	-	1,774,919	1,774,919
Fair value changes on available-for-sale securities	-	-	-	-	-	672,249	672,249	672,249
Total other comprehensive income for the year	-	-	1,774,919	-	-	672,249	2,447,168	2,447,168
Transactions with owners, recorded directly in equity								
Transfer to contingency reserve	-	-	(362,715)	-	362,715	-	-	-
Bonus issues transferred from Share Premium	1,718,442	(1,718,442)	-	-	-	-	-	-
Share issue cost	-	(45,560)	-	-	-	-	(45,560)	(45,560)
Addition to treasury shares	-	-	-	(10,265)	-	-	(10,265)	(10,265)
Total contributions by and distributions to equity holders	1,718,442	(1,764,002)	(362,715)	(10,265)	362,715	-	(55,825)	(55,825)
Balance as at 31 December 2020	9,083,196	183,165	(431,800)	(58,440)	3,305,027	906,871	12,988,019	12,988,019

For the year ended 31 December 2019

Company	Share Capital	Share Premium	Retained Earnings/(Losses)	Treasury Shares	Contingency Reserve	AFS Fair Value Reserve	Shareholders' Equity	Total
<i>In thousands of naira</i>								
At 1 January 2019	7,364,754	1,947,166	(4,267,842)	(48,175)	2,428,926	67,262	7,492,091	7,492,091
Total comprehensive income for the year								
Loss for the year	-	-	2,937,224	-	-	-	2,937,224	2,937,224
Fair value changes on available-for-sale securities	-	-	-	-	-	167,360	167,360	167,360
Total other comprehensive income for the year	-	-	2,937,224	-	-	167,360	3,104,584	3,104,584
Transactions with owners, recorded directly in equity								
Transfer to contingency reserve	-	-	(513,386)	-	513,386	-	-	-
Total contributions by and distributions to equity holders	-	-	(513,386)	-	513,386	-	-	-
Balance as at 31 December 2019	7,364,754	1,947,166	(1,844,004)	(48,175)	2,942,312	234,622	10,596,675	10,596,675

The accounting policies and the accompanying notes form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

for the year ended 31 December 2020

<i>In thousands of naira</i>	<i>Note</i>	Group 2020	Group 2019	Company 2020	Company 2019
Cash flows from operating activities					
Insurance premium received	45(i)	17,448,946	13,134,737	15,740,673	11,896,404
Premium deposits received	20(a)	1,728,814	693,162	1,707,196	635,380
Deposit liabilities - contributions during the year	18	1,396,936	1,403,778	1,205,513	1,403,778
Deposit liabilities - withdrawals during the year	18	(1,293,203)	(1,599,777)	(1,129,608)	(1,599,777)
Reinsurance premium paid	45(v)	(11,068,738)	(5,722,565)	(10,322,823)	(5,108,089)
Commission received	22(a)	2,123,552	1,241,030	1,919,973	1,108,625
Claims paid during the year	28(a)	(4,601,817)	(4,508,078)	(4,142,858)	(3,851,153)
Reinsurance claims recovered	10(b)(iv)	2,320,790	993,320	2,320,790	993,320
Commission paid	45(vi)	(1,981,876)	(1,451,569)	(1,668,722)	(1,276,394)
Maintenance cost paid	29(b)	(467,093)	(514,559)	(328,792)	(418,035)
Recovery on subrogation	33	-	47,642	-	38,287
Administrative income	33	-	29,110	-	29,110
Other operating income	33	189,280	413,505	113,053	346,836
Personnel and employee expenses	35&24	(1,868,483)	(1,786,356)	(1,464,993)	(1,500,446)
Payment for statutory deposits	17	-	(200,000)	-	(200,000)
Other operating cash payments		(2,043,932)	(2,467,174)	(2,416,143)	(2,424,837)
		1,883,175	(293,794)	1,533,259	73,009
Tax paid	23(b)	(102,231)	(178,455)	(80,021)	(102,551)
Net cash flows from operating activities		1,780,944	(472,249)	1,453,238	(29,542)
Investing activities:					
Interest received	30(a)	439,463	529,649	331,059	223,587
Dividend received	45(ii)	331,086	330,219	264,097	261,135
Purchase of property and equipment	15	(147,444)	(202,159)	(122,255)	(164,105)
Purchase of intangibles	16	(5,211)	(2,916)	(704)	(2,916)
Redemptions on loans to policyholders	7(c)(iii)	103,373	113,680	103,373	113,680
Investment in joint venture	12(a)	-	(598,220)	-	(332,226)
Proceeds from sale of property and equipment	45(iii)	48,000	1,596	15,000	1,370
Purchase of AFS financial assets	7(a)(iv)	-	(2,627,590)	-	(2,627,590)
Purchase of FVTPL financial assets	7(b)(i)	(3,732,530)	-	(3,711,977)	-
Investment in subsidiary	13(i)	-	-	(200,000)	-
Addition to loans to policy holders	7(c)(iii)	(60,665)	(103,466)	(60,665)	(103,466)
Purchase of HTM investments	7(d)(i)	(3,424,111)	(3,567,360)	(619,542)	(2,813,819)
Dividend received from joint venture	12(b)	-	7,686,948	-	4,220,286
Proceeds from sale of financial assets	45(iv)	3,788,892	7,400,962	2,614,239	6,079,851
Net cash flows from investing activities		(2,659,147)	8,961,343	(1,387,375)	4,855,787
Financing activities:					
Share issuing cost	25(b)	(45,560)	-	(45,560)	-
Treasury share	25(c)	(10,265)	-	(10,265)	-
Finance cost	37	(52,654)	(66,785)	(28,136)	(56,929)
Net cash flows from financing activities		(108,479)	(66,785)	(83,961)	(56,929)
Net increase/(decrease) in cash and cash equivalents		(986,681)	8,422,309	(18,097)	4,769,316
Cash and cash equivalents, beginning of the year		12,649,384	4,227,075	8,193,360	3,424,044
Cash and cash equivalents, end of the year		11,662,703	12,649,384	8,175,263	8,193,360

The accounting policies and the accompanying notes form an integral part of these financial statements.

LIFE BUSINESS REVENUE ACCOUNT

for the year ended 31 December 2020

<i>In thousands of naira</i>	<i>Note</i>	Individual life	Annuity	Group Life	Total 2020	Total 2019
Gross premium written	26(a)	166,991	1,150,672	4,227,250	5,544,913	3,844,387
Changes in life and life annuity funds	26(c)	-	(1,902,099)	(634,469)	(2,536,568)	(352,022)
Gross premium income		166,991	(751,427)	3,592,781	3,008,345	3,492,365
Reinsurance expense	26(d)	(18,659)	-	(1,577,455)	(1,596,114)	(1,087,176)
Net premium		148,332	(751,427)	2,015,326	1,412,231	2,405,189
Fees and commission income		21,717	-	549,749	571,466	355,027
		170,049	(751,427)	2,565,075	1,983,697	2,760,216
Gross claims incurred	28(a)	66,223	284,568	1,676,376	2,027,167	1,767,903
Insurance claims recoveries from reinsurers	28(i)	-	-	(888,435)	(888,435)	(894,868)
Net claims expenses		66,223	284,568	787,941	1,138,732	873,035
Underwriting expenses		(26,757)	-	(677,330)	(704,087)	(414,721)
Underwriting results		77,069	(1,035,995)	1,099,804	140,878	1,472,460

LIFE DEPOSIT ADMINISTRATION REVENUE ACCOUNT

for the year ended 31 December 2020

<i>In thousands of naira</i>	<i>Note</i>	2020	2019
Income			
Interest income	18(a)	422,435	-
Expenses			
Guaranteed interest	18(a)	(164,427)	(186,336)
Gain/(Loss) on deposit administration / investment contracts		258,008	(186,336)

NON-LIFE BUSINESS REVENUE ACCOUNT

for the year ended 31 December 2020

<i>In thousands of naira</i>	Motor	Fire	Accident	Bond	Engineering	Oil & Gas & Aviation	Marine	Total 2020	Total 2019
Income									
Gross premium written	1,526,903	1,059,028	755,359	20,832	2,865,080	3,531,158	483,851	10,242,211	7,739,317
Changes in unearned premium	(104,066)	(37,271)	43,058	(488)	(1,137,113)	(297,486)	(42,909)	(1,576,275)	293,462
Gross premium earned	1,422,837	1,021,757	798,417	20,344	1,727,967	3,233,672	440,942	8,665,936	8,032,779
Reinsurance cost	(41,868)	(752,951)	(197,375)	(12,645)	(2,828,723)	(2,752,577)	(216,311)	(6,802,450)	(5,000,987)
Movement in prepaid reinsurance cost	(21,364)	64,244	(32,976)	151	1,158,946	321,677	30,212	1,520,890	348,019
Net premium earned	1,359,605	333,050	568,066	7,850	58,190	802,772	254,843	3,384,376	3,379,811
Commission earned	9,881	192,126	75,476	3,456	358,076	188,080	48,900	875,995	655,271
Total income	1,369,486	525,176	643,542	11,306	416,266	990,852	303,743	4,260,371	4,035,082
Expenses									
Gross claims paid	(517,986)	(437,171)	(279,131)	-	(186,203)	(641,195)	(73,625)	(2,135,311)	(2,543,014)
Movement in outstanding claims	(33,515)	(1,078,867)	(517,443)	(2,008)	296,915	(948,873)	(246,736)	(2,530,527)	(328,464)
Gross claims incurred	(551,501)	(1,516,038)	(796,574)	(2,008)	110,712	(1,590,068)	(320,361)	(4,665,838)	(2,871,478)
Reinsurance claims recoveries	28,074	955,214	427,286	100	(217,907)	1,026,038	93,864	2,312,669	1,013,412
Net claims incurred	(523,427)	(560,824)	(369,288)	(1,908)	(107,195)	(564,030)	(226,497)	(2,353,169)	(1,858,066)
Acquisition cost	(145,303)	(188,232)	(126,575)	(3,638)	(295,303)	(142,060)	(73,983)	(975,094)	(871,508)
Maintenance cost	(14,404)	(9,990)	(7,126)	(197)	(27,027)	(33,311)	(4,564)	(96,619)	(398,828)
Underwriting expenses	(159,707)	(198,222)	(133,701)	(3,835)	(322,330)	(175,371)	(78,547)	(1,071,713)	(1,270,336)
Total expenses	(683,134)	(759,046)	(502,989)	(5,743)	(429,525)	(739,401)	(305,044)	(3,424,882)	(3,128,402)
Underwriting results	686,352	(233,870)	140,553	5,563	(13,259)	251,451	(1,301)	835,489	906,680

SEGMENT INFORMATION

for the year ended 31 December 2020

5 Segment Information

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive Officer to allocate resources to the segments and to assess their performance.

The Group's reportable segments are identified as follows;

- Non-life insurance
- Life insurance
- Halal Islamic insurance
- Fin Insurance Company Limited
- Cornerstone Leasing and Investment Limited

The reportable segments are components of the Group for which discrete financial information is available. No operating segments have been aggregated to form the above reportable operating segments.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of certain expenses, certain finance costs and income taxes which are managed on a group basis.

This is the measure reported to the Group's Chief Executive for the purposes of resource allocation and assessment of segment performance.

NOTES TO FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2020

5.1 Segment statement of profit or loss as at 31 December 2020

<i>In thousands of naira</i>	Non-life Insurance	Life Insurance	Elimination of intra-business transactions	Company	Fin Insurance	Takaful Insurance	Cornerstone Leasing & Investment	Elimination of inter-segment transactions	Group
Income	10,242,211	5,544,913		15,787,124	1,561,069	191,026	-	-	17,539,219
Gross premium written	(1,576,275)	-		(1,576,275)	(210,118)	(34,114)	-	(1)	(1,820,508)
Changes in unearned premium	8,665,936	5,544,913		14,210,849	1,350,951	156,912	-	(1)	15,718,711
Gross premium income	-	(634,469)		(634,469)	-	-	-	-	(634,469)
Changes in life fund	-	(1,902,099)		(1,902,099)	-	-	-	-	(1,902,099)
Reinsurance expenses	(5,281,560)	(1,596,114)		(6,877,674)	(668,094)	(33,357)	-	-	(7,579,125)
Net premium income	3,384,376	1,412,231		4,796,607	682,857	123,555	-	(1)	5,603,018
Fees and Commission Income	875,995	571,466		1,447,461	151,257	19,281	-	-	1,617,999
Net underwriting income	4,260,371	1,983,697		6,244,068	834,114	142,836	-	(1)	7,221,017
Claims expenses:									
Insurance claims and benefits - Gross	(4,665,838)	(2,027,167)		(6,693,005)	(533,832)	(37,338)	-	-	(7,264,175)
Insurance claims recoverable from reinsurance companies	2,312,669	888,437		3,201,106	99,810	7,990	-	(2)	3,308,904
Net claims expenses	(2,353,169)	(1,138,730)		(3,491,899)	(434,022)	(29,348)	-	(2)	(3,955,271)
Acquisition cost	(975,094)	(471,914)		(1,447,008)	(221,171)	(41,215)	-	-	(1,709,394)
Maintenance cost	(96,619)	(232,173)		(328,792)	(77,253)	(61,048)	-	-	(467,093)
Underwriting expenses	(1,071,713)	(704,087)		(1,775,800)	(298,424)	(102,263)	-	-	(2,176,487)
Underwriting results	835,489	140,880		976,369	101,668	11,225	-	(3)	1,089,258
Investment income	339,025	393,329		732,354	356,905	68,571	-	-	1,157,830
Fair value changes in investment property	-	-		-	42,000	-	-	-	42,000
Share of loss of investment in joint venture	-	(155,378)		(155,378)	(127,632)	-	-	-	(283,010)
Fair value changes on financial assets - FVTPL	46,276	1,753,464		1,799,740	-	-	-	-	1,799,740
Net exchange gain and trading income	408,580	572,359		980,939	623,989	-	-	-	1,604,928
Other operating income	98,832	10,947		109,779	76,227	36,514	-	3,274	225,794
Profit/(loss) from investment contracts	-	258,008		258,008	-	-	-	-	258,008
Impairment losses on financial assets	(283,102)	(585,730)		(868,832)	27,313	-	-	-	(841,519)
Management expenses	(484,572)	(2,043,145)		(2,527,717)	(627,617)	(74,909)	-	(3,041)	(3,233,284)
Finance cost	(24,842)	(3,294)		(28,136)	(24,518)	-	-	-	(52,654)
Profit before tax	935,686	341,440		1,277,126	448,335	41,401	-	230	1,767,092
Tax expense	337,784	123,261		461,045	(33,281)	-	-	-	427,764
Segment (loss)/profit	1,273,470	464,701		1,738,171	415,054	41,401	-	230	2,194,856

NOTES TO FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2020

5.2 Segment statement of profit or loss as at 31 December 2019

<i>In thousands of naira</i>	Non-life Insurance	Life Insurance	Elimination of intra-business transactions	Company	Fin Insurance	Takaful Insurance	Cornerstone Leasing & Investment	Elimination of inter-segment transactions	Group
Income									
Gross premium written	7,739,317	3,844,387		11,583,704	1,238,847	236,348	-	-	13,058,899
Changes in unearned premium	293,462	-		293,462	(48,224)	(8,001)	-	-	237,237
Gross premium income	8,032,779	3,844,387		11,877,166	1,190,623	228,347	-	-	13,296,136
Changes in life fund	-	53,102		53,102	-	-	-	-	53,102
Changes in life annuity fund	-	(405,124)		(405,124)	-	-	-	-	(405,124)
Reinsurance expenses	(4,652,968)	(1,087,176)		(5,740,144)	(572,232)	(42,808)	-	-	(6,355,184)
Net premium income	3,379,811	2,405,189		5,785,000	618,391	185,539	-	-	6,588,930
Fees and Commission Income	655,271	355,027		1,010,298	123,724	8,984	-	-	1,143,006
Net underwriting income	4,035,082	2,760,216		6,795,298	742,115	194,523	-	-	7,731,936
Claims expenses:									
Insurance claims and benefits paid - Gross	(2,871,478)	(1,767,903)		(4,639,381)	(262,183)	(196,518)	-	-	(5,098,082)
Insurance claims recoverable from reinsurance companies	1,013,412	894,868		1,908,280	120,934	-	-	-	2,029,214
Net Claims expenses	(1,858,066)	(873,035)		(2,731,101)	(141,249)	(196,518)	-	-	(3,068,868)
Acquisition cost	(871,508)	(400,755)		(1,272,263)	(177,026)	(27,710)	-	-	(1,476,999)
Maintenance cost	(398,828)	(13,966)		(412,794)	(96,524)	(5,241)	-	-	(514,559)
Underwriting expenses	(1,270,336)	(414,721)		(1,685,057)	(273,550)	(32,951)	-	-	(1,991,558)
Underwriting results	906,680	1,472,460		2,379,140	327,316	(34,946)	-	-	2,671,510
Investment income	382,156	389,634		771,790	246,021	110,609	-	-	1,128,420
Fair value changes in investment property	-	-		-	28,000	-	-	-	28,000
Share of loss of investment in joint venture	-	871,010		871,010	715,473	-	-	-	1,586,483
Fair value changes on financial assets - FVTPL	-	471,023		471,023	-	5,153	-	-	476,176
Net exchange gain and trading income	1,093,168	86,679		1,179,847	155,033	215	-	-	1,335,095
Other operating income	255,339	164,262		419,601	57,958	3,716	-	-	481,275
Profit/(loss) from investment contracts	(39,192)	(186,336)		(186,336)	-	-	-	-	(186,336)
Impairment losses on financial assets	(2,319,268)	(11,897)		(2,775,266)	(540,932)	(72,809)	-	-	(3,389,007)
Management expenses	(50,425)	(5,875)		(56,300)	(9,856)	(629)	-	-	(66,785)
Finance cost	228,458	2,794,962		3,023,420	979,013	11,309	-	-	4,013,742
Profit before tax	(43,690)	(53,816)		(97,506)	231,460	-	-	-	95,181
Tax expense	184,768	2,741,146		2,925,914	1,210,473	11,309	-	(38,773)	4,108,923
Segment profit	184,768	2,741,146		2,925,914	1,210,473	11,309	-	(38,773)	4,108,923

NOTES TO FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2020

5.3 Segment Statement of Financial Position as at 31 December 2020

<i>In thousands of naira</i>	Non-life Insurance	Life Insurance	Elimination of intra-business transactions	Company	Fin Insurance	Takaful Insurance	Cornerstone Leasing & Investment	Elimination of inter-segment transactions	Group
Assets									
Cash and cash equivalents	3,939,131	4,236,132		8,175,263	3,127,813	348,182	11,445	-	11,662,703
Financial assets	3,033,500	11,031,866		14,065,366	3,601,407	735,954	-	-	18,402,727
Trade receivables	37,129	71,546		108,675	45,905	-	-	-	154,580
Other receivables and prepayments	666,671	2,177,633	(2,055,203)	789,101	69,011	-	-	(245,888)	612,224
Reinsurance assets	6,052,045	1,145,051		7,197,096	468,970	53,358	-	(2)	7,719,422
Deferred acquisition cost	466,196	-		466,196	89,042	12,358	-	-	567,596
Investment in joint venture	-	137,738		137,738	133,557	-	-	-	271,295
Deferred tax assets	206,507	631,491		837,998	-	-	-	2	838,000
Investment in subsidiaries	-	3,620,847		3,620,847	-	-	-	(3,620,847)	-
Investment properties	-	-		-	602,000	-	-	-	602,000
Property and equipment	569,537	556		570,093	1,614,567	3,850	-	(408,491)	1,780,019
Intangible assets	11,750	1,750		13,500	4,148	-	-	0	17,648
Statutory deposit	300,000	200,000		500,000	500,000	200,000	-	-	1,200,000
Total assets	15,282,466	23,254,610	(2,055,203)	36,481,873	10,256,420	1,353,702	11,445	(4,275,226)	43,828,214
Liabilities and Equity									
Liabilities									
Investment contract liabilities	-	3,226,593		3,226,593	-	448,268	-	-	3,674,861
Insurance contract liabilities	10,813,065	6,390,796		17,203,861	1,338,171	204,193	-	-	18,746,225
Trade payables	967,866	436,016		1,403,882	161,523	54,290	-	-	1,619,695
Other payables and accruals	2,391,310	340,209	(2,055,203)	676,316	222,039	175,492	624,764	(855,846)	842,765
Deferred commission income	477,504	226,968		704,472	66,154	-	-	-	770,626
Current tax liabilities	191,000	85,964		276,964	159,021	-	9,813	0	445,799
Deferred tax liabilities	-	-		-	(4,200)	-	-	4,200	-
Employees benefit obligations	1,418	351		1,769	-	-	2,024	-	3,793
Total liabilities	14,842,163	10,706,897	(2,055,203)	23,493,857	1,942,708	882,243	636,601	(851,645)	26,103,764
Total equity				12,988,016					17,724,450
Total liabilities and equities				36,481,873					43,828,214

NOTES TO FINANCIAL STATEMENTS (Cont'd)

for the year ended 31 December 2020

5.4 Segment Statement of Financial Position as at 31 December 2019

<i>In thousands of naira</i>	Non-life Insurance	Life Insurance	Takaful Insurance	Company	Fin Insurance	Cornerstone Leasing & Investment	Elimination of inter-segment transactions	Group
Assets								
Cash and cash equivalents	2,998,634	5,102,687	92,039	8,193,360	4,444,579	11,445	-	12,649,384
Financial assets	5,130,668	5,332,101	706,569	11,169,338	1,491,970	-	-	12,661,308
Trade receivables	40,980	17,120	-	58,100	2,083	-	-	60,183
Other receivables and prepayments	-	2,714,229	55,063	2,769,292	21,578	-	(2,385,410)	405,460
Reinsurance assets	3,505,653	847,186	-	4,352,839	379,685	-	-	4,732,524
Deferred acquisition cost	210,396	-	9,196	219,592	38,274	-	-	257,866
Investment in joint venture	-	293,116	-	293,116	261,189	-	-	554,305
Deferred tax (liabilities)/assets	57,293	281,630	-	338,923	-	-	-	338,923
Investment in subsidiaries	-	2,954,748	-	2,954,748	-	-	(2,954,748)	-
Investment properties	-	-	-	-	560,000	-	-	560,000
Property and equipment	633,256	874	5,179	639,309	1,568,947	-	(304,044)	1,904,212
Intangible assets	27,031	2,333	-	29,364	-	-	-	29,364
Statutory deposit	300,000	200,000	200,000	700,000	300,000	-	-	1,000,000
Total assets	12,903,911	17,746,024	1,068,046	31,717,981	9,068,305	11,445	(5,644,202)	35,153,529
Liabilities and Equity								
Liabilities								
Investment contract liabilities	-	2,986,260	420,441	3,406,701	-	-	-	3,406,701
Insurance contract liabilities	6,706,265	3,834,607	162,508	10,703,380	1,026,750	-	-	11,730,130
Trade payables	2,638,874	791,955	50,290	3,481,119	110,660	-	-	3,591,779
Other payables and accruals	2,590,048	382,133	5,458	2,977,642	194,616	624,764	(2,995,846)	801,176
Deferred commission income	153,867	78,094	-	231,961	33,112	-	-	265,073
Current tax liabilities	206,090	112,863	-	318,953	147,951	9,813	-	476,717
Deferred tax liabilities	-	-	-	-	-	-	-	-
Employees benefit obligations	1,418	135	-	1,553	-	2,024	-	3,577
Total liabilities	12,296,562	8,186,047	638,697	21,121,309	1,513,089	636,601	(2,995,846)	20,275,153
Total equity				10,596,672				14,878,376
Total liabilities and equities				31,717,981				35,153,529

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

5.5 Revenue from major products and services

The Group's revenue from major products and services is disclosed in the segment revenue tables.

5.6 Geographical information

The Group's revenue and information about its segment net assets by geographical location are as follows:

<i>In thousands of naira</i>	Revenue		Net assets	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Within Nigeria	15,718,711	13,296,136	17,724,450	14,878,376
Outside Nigeria	-	-	-	-
	15,718,711	13,296,136	17,724,450	14,878,376

5.7 Information about major customers

The Group does not derive revenue from an individual policyholder or intermediary that represents 10% or more of the Group's total revenue.

5.8 Discontinued business segment and recognition of Takaful line of business as a subsidiary of Cornerstone Insurance Plc

Sequel to the approval and issuance of operating license by NAICOM to Cornerstone to commence Takaful Insurance business on the 10th of March 2020, the Company ceases to operate Takaful Insurance as a business segment under Cornerstone Insurance Plc with effect from 31 March 2020.

Consequently all the related assets and liabilities relating to the Takaful operations in the books of Cornerstone Insurance Plc have been derecognised in these financial statements and transferred to the newly licensed entity known as Cornerstone Takaful Nigeria Limited, a wholly owned subsidiary of Cornerstone Insurance Plc. The net assets of the Takaful business segment has been recognised as an investment in subsidiary in Cornerstone Insurance Plc. A separate audited financial statements for period ended 31 December 2020 was prepared for this entity and the result has been consolidated into this group financial statements.

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

a Analysis of the result of discontinued operations

Gross contribution written
Changes in unearned contribution
Takaful contribution earned
Retakaful share of contributions
Net earned contribution

Retakaful fee income
Total takaful income

Takaful Expenses:

Gross claims incurred
Net claims incurred
Underwriting Expenses
Underwriting Result

Investment income
Other Income

Management and administrative expenses

Profit from discontinued operation

Tax expense
Profit for the year

Basic and diluted earning per share (Kobo) on discontinued operation

Company 31/03/2020 3 Months	Company 31/12/2019 12 Months
47,264	236,348
(688)	(8,001)
46,576	228,347
(6,828)	(42,808)
39,748	185,539
1,219	8,984
40,967	194,523
(12,860)	(196,518)
(12,860)	(196,518)
(20,158)	(32,951)
7,949	(34,946)
19,439	110,609
27,417	9,084
54,805	84,747
(18,056)	(73,438)
36,748	11,309
-	-
36,748	11,309
0.20	0.06

b. Analysis of assets and liabilities transferred

Assets :

Cash and cash equivalents
Financial assets
Deferred acquisition cost
Prepayments and other receivables
Property, plant and equipment
Statutory deposit
Total Assets

Liabilities

Takaful contract liabilities
Takaful investment contract
Retakaful payables
Other payables and accruals
Total Liabilities

Net Assets transferred

Company 31/03/2020 3 Months	Company 31/12/2019 12 Months
96,921	92,039
714,252	706,569
9,276	9,196
35,786	55,063
5,011	5,179
200,000	200,000
1,061,246	1,068,046
139,327	162,508
434,857	420,440
-	50,290
20,963	5,458
595,147	638,696
466,099	429,350

c. Analysis of statement of cash flow

Cash flows from operating activities

Gross contribution written
Retakaful share of contributions
Retakaful fee income
Claims paid during the year
Commission paid
Operating cash payments

Tax paid

Net cash flows from operating activities

Investing activities:

Dividend received

Net cash flows from investing activities

Net increase in cash and cash equivalents
Cash and cash equivalents, beginning of the year
Cash and cash equivalents, end of the year

Company 31/03/2020 3 Months	Company 31/12/2019 12 Months
47,264	236,348
(6,828)	(6,828)
1,219	8,984
(12,860)	(196,518)
(20,158)	(32,951)
(23,194)	(79,878)
(14,557)	(70,844)
(14,557)	(70,844)
19,439	110,609
19,439	110,609
4,882	39,765
92,039	52,274
96,921	92,039

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

6 Cash and cash equivalents

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Cash	813	2,604	467	2,254
Balances with banks	3,483,133	9,269,553	1,969,187	5,662,553
Short-term deposits	8,178,757	3,377,227	6,205,609	2,528,553
	11,662,703	12,649,384	8,175,263	8,193,360
Current	11,662,703	12,649,384	8,175,263	8,193,360
Non-current	-	-	-	-
	11,662,703	12,649,384	8,175,263	8,193,360

The short-term deposits are made for varying periods of between one day and ninety days, depending on the immediate cash requirements of the Group. The carrying amounts disclosed above reasonably approximate the fair value at the reporting date.

7 Financial assets

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Available-for-Sale (AFS) financial assets (see note (a) below)	7,226,470	7,860,055	5,975,537	6,873,592
Financial assets at fair value through profit or loss (FVTPL) (see note (b) below)	7,206,517	1,989,247	7,171,687	1,989,247
Loans and receivables (see note (c) below)	288,274	327,781	288,274	327,781
Held-to-Maturity investments (see note (d) below)	3,681,466	2,484,225	629,868	1,978,718
	18,402,727	12,661,308	14,065,366	11,169,338
Current	2,423,766	1,010,100	629,868	644,894
Non-current	15,978,961	11,651,208	13,435,498	10,524,444
	18,402,727	12,661,308	14,065,366	11,169,338

(a) Available-for-Sale (AFS) financial assets

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Quoted equity securities measured at fair value	1,336,291	1,695,843	776,906	782,379
Unquoted equity securities measured at cost *	87,500	87,500	87,500	87,500
Investment in funds measured at fair value	-	163,128	-	163,128
Investment in MTN preference shares	-	349,885	-	276,886
Investment in CAPIC funds measured at cost *(see note (i) below)	1,823,500	1,823,500	1,823,500	1,823,500
Investment in insurance pool measured at cost *	94,720	87,594	94,720	87,594
Bonds measured at fair value (see note (ii) below)	4,719,144	3,652,605	4,027,596	3,652,605
	8,061,155	7,860,055	6,810,222	6,873,592
Impairment of CAPIC fund	(834,685)	-	(834,685)	-
	7,226,470	7,860,055	5,975,537	6,873,592

(i) This represents the Company's subscription and total commitment of USD 5million into the partnership arrangement of Capital Alliance Property Investment Company (CAPIC). The Partnership was set up to directly and indirectly acquire, develop, hold, manage and dispose of investments in real estate. During the year, this investment recorded an impairment of N834.6million due to the impact of COVID-19 pandemic on the real estate market.

(ii) This represents the total fair value of the Group's investment in bonds which includes FGN Bonds, Eurobonds, State Government bonds and Corporate bonds classified as available-for-sale.

The above financial assets have been assessed for impairment and there was no objective evidence that the assets were impaired as at year end except for investment in CAPIC funds which was subjected to an impairment of N834.6million.

* Available for sale financial instruments designated at cost are measured as such because the fair value could not be reliably determined.

(iv) Movement in Available-for-Sale financial assets

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	7,860,055	6,626,364	6,873,592	5,633,803
Reclassification of preference shares from fair value through profit or loss	-	349,885	-	276,886
Additions during the year	-	2,627,590	-	2,627,590
Disposals/Redemptions during the year	(874,574)	(2,364,990)	(275,420)	(2,085,234)
Fair value gains	707,043	357,395	672,249	167,360
Accrued interest	290,799	192,392	161,944	192,395
Derecognition of Takaful Insurance	-	-	(699,975)	-
Exchange gain recognised in the income statement	77,833	71,419	77,833	60,792
Impairment of CAPIC fund	(834,685)	-	(834,685)	-
Balance, end of the year	7,226,470	7,860,055	5,975,537	6,873,592

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

(b) Financial assets at fair value through profit or loss (FVTPL)

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Bonds measured at fair value	4,497,425	-	4,497,425	-
Investment in MTN ordinary shares	2,709,092	1,989,247	2,674,262	1,989,247
	7,206,517	1,989,247	7,171,687	1,989,247

(i) Movement in financial assets at fair value through profit or loss (FVTPL)

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	1,989,247	3,330,490	1,989,247	3,330,490
Derecognition of MTN linked notes	-	(3,330,490)	-	(3,330,490)
Recognition of MTN ordinary shares	-	3,487,019	-	3,487,019
Recognition of MTN preference shares	-	349,885	-	276,886
Reclassification of MTN preference shares to available-for-sale	-	(349,885)	-	(276,886)
Addition during the year - bonds	3,732,530	-	3,711,977	-
Derecognition of Takaful Insurance	-	-	(14,277)	-
Fair value gains/(loss) (see note(ii) below)	1,799,740	476,176	1,799,740	476,176
Disposal	(315,000)	(1,973,948)	(315,000)	(1,973,948)
Balance, end of the year	7,206,517	1,989,247	7,171,687	1,989,247

(ii) This represents the fair value gain on the Company's investment in MTN shares. It also includes gain from bonds designated at FVTPL

(c) Loan and receivables

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Loans to policyholders (see note (ii) below)	297,107	336,614	297,107	336,614
Allowance for impairment (see note (i) below)	(8,833)	(8,833)	(8,833)	(8,833)
	288,274	327,781	288,274	327,781

(i) Movement in allowance for impairment

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	8,833	8,833	8,833	8,833
Net (write-back) / charge during the year	-	-	-	-
Balance, end of the year	8,833	8,833	8,833	8,833

(ii) The Group grants cash loans to policyholders in line with the policy provisions (terms and conditions). The maximum loan amount that can be granted to policyholders is 70% of the policy cash value except for endowment policies where the policy holder can obtain a maximum of 90% of the policy cash surrender value. The cash value is the cash amount due to the policyholder upon surrender of the insurance contract as at the date of determination and it is used as collateral on policy cash loan granted.

As at year-end, unsubstantiated policyholders loans amounting to 8.8 million were fully impaired.

The tenor of the loan is not beyond the policy duration and such policy must be in force and has acquired cash value before loan application can be considered. A pre-determined interest rate (compounded daily) is applied on the loan. The rate is currently within the range of 6-12% per annum depending on the type of policy and it is reviewed periodically.

The rate is determined after due consideration on the interest rate used by the actuary for premium benefit calculation, allowance for documentation and other expenses on the policy, margin for contingencies and profit loadings. Policy loans are not impaired as balances are set-off against benefits accruable to the policyholder. However, when policy loans are unsubstantiated, such balances may be subject to impairment.

(iii) Movement in Loans and receivables

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	327,781	331,281	327,781	331,281
Additions during the year	60,665	103,466	60,665	103,466
Accrued interest	3,201	6,714	3,201	6,714
Redemptions during the year	(103,373)	(113,680)	(103,373)	(113,680)
Balance, end of the year	288,274	327,781	288,274	327,781

(d) Held-to-Maturity investments

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Bonds	1,257,700	140,301	-	-
Long-term deposits	2,423,766	-	629,868	-
Treasury bills	-	2,343,924	-	1,978,718
	3,681,466	2,484,225	629,868	1,978,718

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

(i) Movement in Held-to-Maturity investments

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	2,484,225	558,362	1,978,718	-
Additions	3,424,111	3,567,360	619,542	2,813,819
Disposals	(2,343,924)	(1,794,234)	(1,978,718)	(900,000)
Accrued interest	117,054	152,737	10,326	64,899
Balance, end of the year	3,681,466	2,484,225	629,868	1,978,718

8 Trade receivables

(a) Trade receivables comprise:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Due from brokers, agents and other insurance companies	1,469,921	1,379,648	1,232,423	1,185,972
	1,469,921	1,379,648	1,232,423	1,185,972
Allowance for impairment (see note (c) below)	(1,315,341)	(1,319,465)	(1,123,748)	(1,127,872)
	154,580	60,183	108,675	58,100
Current	154,580	60,183	108,675	58,100
Non-current	-	-	-	-
	154,580	60,183	108,675	58,100

(b) The age analysis of gross insurance trade receivables as at year-end is as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Within 30 days	154,580	60,183	108,675	58,100
More than 30 days	1,315,341	1,319,465	1,123,748	1,127,872
	1,469,921	1,379,648	1,232,423	1,185,972

(c) The movement in allowance for impairment of trade receivables is as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	1,319,465	1,319,465	1,127,872	1,127,872
Write-back during the year	(4,124)	-	(4,124)	-
Balance, end of the year	1,315,341	1,319,465	1,123,748	1,127,872

9 Other receivables and prepayments

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Non-financial				
Prepaid insurance	40,134	18,589	40,134	18,589
Withholding tax receivable	959	4,233	-	-
Stock of stationery	5,496	8,346	5,496	8,346
VAT control	235,250	136,849	235,250	136,849
Prepaid housing allowance	74,433	54,609	55,341	54,609
Subscription	139,993	-	139,993	-
Other prepaid balances (see note (a) below)	49,188	74,728	12,513	34,657
	545,453	297,354	488,727	253,050
Financial				
Due from subsidiaries (see note (39))	-	-	245,888	50,178
Dividend receivable	9,833	48,105	-	38,272
Receivables from Meristem	9,312	4,589	9,312	4,589
Insurance recoverable	3,221	3,221	3,221	3,221
Due from Staff	28,910	37,883	26,124	33,390
Other receivables (see note (c) below)	423,539	449,665	386,550	422,081
	474,815	543,463	671,095	551,731
Total other receivables and prepayments	1,020,268	840,817	1,159,822	804,781
Allowance for impairment (see note (e) below)	(408,044)	(435,357)	(370,721)	(370,721)
	612,224	405,460	789,101	434,060
Current	612,224	405,460	789,101	434,060
Non-current	-	-	-	-
	612,224	405,460	789,101	434,060

(a) Other prepaid balances comprise email, software application and server protection license prepayments.

(b) Due from subsidiaries comprises receivable from its subsidiaries, Fin Insurance Company Limited and Cornerstone Takaful Nigeria. See note 39.

(c) Other receivables comprise receivables from its investment brokers which include WSTC Financial Services, RENCAP Securities, Reward Investment etc and from other third parties.

(d) The movement in allowance for impairment on other receivables is analysed below

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	435,357	384,268	370,721	319,632
Charge during the year	-	51,089	-	51,089
Write-back/Write-off	(27,313)	-	-	-
Balance, end of the year	408,044	435,357	370,721	370,721

(e) The impairment allowance on, and the carrying amount of, other receivables are analysed as follows:

Group - 2020

	Impairment allowance					
	Gross amount	Opening balance	Addition	Write-off/Write back/Reclass	Closing balance	Carrying amount
Prepaid insurance	40,134	-	-	-	-	40,134
Withholding tax receivable	959	4,233	-	-	4,233	(3,274)
Stock of stationery	5,496	5,496	-	-	5,496	-
VAT control	235,250	-	-	-	-	235,250
Other prepaid balances	49,188	-	-	-	-	49,188
Dividend receivable	9,833	-	-	-	-	9,833
Receivables from Meristem	9,312	4,589	-	-	4,589	4,723
Insurance recoverable	3,221	169	-	-	169	3,052
Due from Staff	28,910	3,234	-	-	3,234	25,676
Other receivables	423,539	417,636	-	(27,313)	390,323	33,216
	805,842	435,357	-	(27,313)	408,044	397,798

Company - 2020

	Impairment allowance					
	Gross amount	Opening balance	Addition	Write-off/Write back	Closing balance	Carrying amount
Prepaid rent	-	-	-	-	-	-
Prepaid insurance	40,134	-	-	-	-	40,134
Stock of stationery	5,496	5,496	-	-	5,496	-
VAT control	235,250	-	-	-	-	235,250
Other prepaid balances	12,513	-	-	-	-	12,513
Due from subsidiaries	245,888	-	-	-	-	245,888
Receivables from Meristem	9,312	4,589	-	-	4,589	4,723
Insurance recoverable	3,221	169	-	-	169	3,052
Due from Staff	26,124	-	-	-	-	26,124
Other receivables	386,550	360,467	-	-	360,467	26,083
	964,488	370,721	-	-	370,721	593,767

Group - 2019

	Impairment allowance					
	Gross amount	Opening balance	Addition	Write-off/Write back/Reclass	Closing balance	Carrying amount
Prepaid rent	-	-	-	-	-	-
Prepaid insurance	18,589	-	-	-	-	18,589
Withholding tax receivable	4,233	4,233	-	-	4,233	-
Stock of stationery	8,346	5,496	-	-	5,496	2,850
VAT control	136,849	-	-	-	-	136,849
Other prepaid balances	129,337	-	-	-	-	129,337
Dividend receivable	48,105	-	-	-	-	48,105
Receivables from Meristem	4,589	4,589	-	-	4,589	-
Insurance recoverable	3,221	169	-	-	169	3,052
Due from Staff	37,883	3,234	-	-	3,234	34,649
Other receivables	449,665	366,547	51,089	-	417,636	32,029
	840,817	384,268	51,089	-	435,357	405,460

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

Company - 2019

	Impairment allowance					
	Gross amount	Opening balance	Addition	Write-off/Write back	Closing balance	Carrying amount
Prepaid rent	-	-	-	-	-	-
Prepaid insurance	18,589	-	-	-	-	18,589
Withholding tax receivable	-	-	-	-	-	-
Stock of stationery	8,346	5,496	-	-	5,496	2,850
VAT control	136,849	-	-	-	-	136,849
Other prepaid balances	89,266	-	-	-	-	89,266
Due from subsidiaries	50,178	-	-	-	-	50,178
Dividend receivable	38,272	-	-	-	-	38,272
Receivables from Meristem	4,589	4,589	-	-	4,589	-
Insurance recoverable	3,221	169	-	-	169	3,052
Due from Staff	33,390	-	-	-	-	33,390
Other receivables	422,081	309,378	51,089	-	360,467	61,614
	804,781	319,632	51,089	-	370,721	434,060

10 Reinsurance assets

(a) Reinsurance assets are analyzed as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Prepaid reinsurance - Non-life	2,949,493	1,285,022	2,683,937	1,153,040
Prepaid reinsurance - Life	667,822	224,772	667,824	224,772
Additional Unexpired Risk Reserve (AURR) - Non-life	25,144	33,213	11,155	21,162
Prepaid reinsurance - Life and Non-life	3,642,459	1,543,007	3,362,916	1,398,974
Reinsurers' share of outstanding claims - Non-life (see note (ii) below)	2,741,250	1,444,387	2,576,541	1,249,671
Reinsurers' share of outstanding claims - Life (see note (iii) below)	371,603	537,020	371,603	537,020
Reinsurers' share of Incurred but not reported - Non-life (see note (iv) below)	805,128	467,528	780,412	426,592
Reinsurers' share of Incurred but not reported - Life (see note (v) below)	105,624	66,610	105,624	66,610
Reinsurers' share of claims paid - receivable - Non-life (see note (vi) below)	497,233	1,152,421	497,233	1,152,421
Reinsurers' share of claims paid - receivable - Takaful (see note (vi) below)	53,358	-	-	-
Reinsurers' share of claims paid - receivable - Life (see note (vii) below)	-	18,784	-	18,784
	8,216,655	5,229,757	7,694,329	4,850,072
Allowance for impairment (see note (viii) below)	(497,233)	(497,233)	(497,233)	(497,233)
	7,719,422	4,732,524	7,197,096	4,352,839
Current	7,719,422	4,732,524	7,197,096	4,352,839
Non-current	-	-	-	-
	7,719,422	4,732,524	7,197,096	4,352,839

(b) Summary of reinsurance assets

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Prepaid reinsurance (see note (i) below)	3,642,459	1,543,007	3,362,916	1,398,974
Reinsurers' share of outstanding claims (see note (ii) below)	3,112,853	1,981,407	2,948,144	1,786,691
Reinsurers' share of incurred but not reported (see note (iii) below)	910,752	534,138	886,036	493,202
Reinsurers' share of claims paid - receivable (see note (iv) below)	550,591	1,171,205	497,233	1,171,205
	8,216,655	5,229,757	7,694,329	4,850,072
Allowance for impairment (see note (viii) below)	(497,233)	(497,233)	(497,233)	(497,233)
	7,719,422	4,732,524	7,197,096	4,352,839

(i) The movement in prepaid reinsurance is shown below:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	1,543,007	1,006,050	1,398,974	891,639
Additions during the year (see note (26)(e))	9,678,577	6,892,141	8,841,616	6,247,479
Amortisation during the year	(7,579,125)	(6,355,184)	(6,877,674)	(5,740,144)
Balance, end of the year	3,642,459	1,543,007	3,362,916	1,398,974

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

(ii) The movement in reinsurers' share of outstanding claims is shown below:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	1,981,407	1,493,325	1,786,691	1,399,804
Increase during the year (see note (28)(b))	1,131,447	488,082	1,161,454	386,887
Balance, end of the year	3,112,853	1,981,407	2,948,144	1,786,691

(iii) The movement in reinsurers' share of incurred but not reported is shown below:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	534,138	485,946	493,202	412,835
Increase during the year (see note (28)(b))	376,614	48,192	392,834	80,367
Balance, end of the year	910,752	534,138	886,036	493,202

(iv) The movement in reinsurers' share of claims paid is shown below:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	1,171,205	748,076	1,171,205	723,499
Additions during the year	1,700,176	1,416,449	1,646,818	1,441,026
Payments received during the year	(2,320,790)	(993,320)	(2,320,790)	(993,320)
Balance, end of the year	550,591	1,171,205	497,233	1,171,205

(v) Movement in allowance for impairment

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	497,233	497,233	497,233	497,233
Addition/(Write-back) during the year	-	-	-	-
Balance, end of the year	497,233	497,233	497,233	497,233

11 Deferred Acquisition Costs

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	257,866	278,428	219,592	237,635
Derecognition of Takaful portion	-	-	(9,197)	-
Acquisition cost paid during the year by Takaful	-	36,910	-	36,910
Acquisition cost paid during the year	2,019,042	1,419,527	1,702,809	1,245,020
	2,276,908	1,734,865	1,913,204	1,519,565
Amortisation during the year	(1,707,686)	(1,444,048)	(1,447,008)	(1,267,022)
Amortization during the year Takaful Insurance	-	(32,951)	-	(32,951)
	567,596	257,866	466,196	219,592
Current	567,596	257,866	466,196	219,592
Non-current	-	-	-	-
	567,596	257,866	466,196	219,592

The breakdown of deferred acquisition cost by class of business is as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Deferred acquisition cost - Fire	55,084	51,736	40,068	44,297
Deferred acquisition cost - Motor vehicle	91,382	71,015	58,077	57,177
Deferred acquisition cost - General Accident	324,680	101,375	306,281	93,128
Deferred acquisition cost - Marine & Aviation	36,689	23,697	26,277	18,968
Deferred acquisition cost - Agric	2,046	-	-	-
Deferred acquisition cost - Oil & Gas	57,715	10,043	35,493	6,022
	567,596	257,866	466,196	219,592

12 Investment in joint venture

This represent the Company's investment in joint venture, Mingol Properties Ltd after the liquidation of CAP Phoenix Limited.

(a) The movement in the investment in joint venture is as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	554,305	6,056,550	293,116	3,310,166
Additional cash paid for equity interest during the year	-	598,220	-	332,226
Current year share of profit/ (loss) of the joint venture (see note (b)(ii) below)	(283,010)	1,586,483	(155,378)	871,010
Dividends paid during the year	-	(7,686,948)	-	(4,220,286)
Balance, end of the year	271,295	554,305	137,738	293,116

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

- (b) The analysis of the carrying amount of the investment in joint venture is as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
At 1 January 2020	554,305	-	293,116	-
Cash paid for equity interest (see note (i) below)	-	2,897,519	-	1,211,719
Property transferred for equity interest (see note (i) below)	-	816,994	-	816,994
Prior years' cumulative share of profit/(loss) of the joint venture	-	2,940,257	-	1,613,679
	554,305	6,654,770	293,116	3,642,392
Current year share of profit/(loss) of the joint venture (see note (ii) below)	(283,010)	1,586,483	(155,378)	871,010
Dividends paid during the year	-	(7,686,948)	-	(4,220,286)
	271,295	554,305	137,738	293,116
Current	-	-	-	-
Non-current	271,295	554,305	137,738	293,116
	271,295	554,305	137,738	293,116

- (ii) The following information, which relates to the joint venture (2020: Mingol Properties Limited, 2019: Cap Phoenix Cornerstone Limited), details the analysis of the share of the profit/loss of the venture:

<i>In thousands of naira</i>	2020	2019
Assets	2,416,196	1,094,100
Liabilities	1,191,854	-
Revenue	20,829	4,438,540
(Loss)/Profit from continuing operation	(554,921)	3,110,750

The loss from the joint venture arising mainly from the retention on disposal of the investment property, was shared by the participating companies as follows:

	% holding	2020	2019
Cornerstone Insurance Plc	28	(155,378)	871,010
Fin Insurance Company Limited	23	(127,632)	715,473
Cornerstone Group	51	(283,010)	1,586,483
CAP Phoenix Limited	49	(271,912)	1,524,267
(Loss)/Profit from continuing operation	100	(554,922)	3,110,750

13 Investment in subsidiaries

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Fin Insurance Company Limited (see note (a)(i) below)	-	-	3,154,748	2,954,748
Cornerstone Takaful Nigeria Limited (see note (a)(ii) below)	-	-	466,099	-
Cornerstone Leasing and Investment Limited	-	-	100,000	100,000
	-	-	3,720,847	3,054,748
Impairment allowance (see note (a) below)	-	-	(100,000)	(100,000)
	-	-	3,620,847	2,954,748
Current	-	-	-	-
Non-current	-	-	3,620,847	2,954,748
	-	-	3,620,847	2,954,748

- (a) The Company assessed its investment in its subsidiaries for impairment during the year. The investment in Cornerstone Leasing and Investment Limited has been fully impaired from prior years and there was no change to the impairment allowance during the year. The movement in the allowance for impairment during the year was as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	-	-	100,000	100,000
Addition during the year	-	-	-	-
	-	-	100,000	100,000

- (i) Fin Insurance Company Limited

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	-	-	2,954,748	2,954,748
Addition during the year (see note (a)(iii) below)	-	-	200,000	-
	-	-	3,154,748	2,954,748

- (ii) During the year, the Company discontinued its Takaful Insurance business segment following the approval and license to operate Takaful Insurance as a separate stand alone Company. Consequently, the net asset of NGN466.09million for Takaful Insurance on the date of discontinuation were derecognised against investment in the newly formed Takaful Company which is a wholly owned subsidiary of Cornerstone Insurance Plc. Detailed disclosure regarding the computation of net assets which as at the date of commencement was the deemed cost of the subsidiary is stated in note 5.

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

(iii) During the year, the Company invested additional N200million in Fin Insurance Company Limited through right issue of shares.

(b) Principal subsidiary undertakings

The Group is controlled by Cornerstone Insurance Plc ("the Parent Company") which is incorporated in Nigeria. The controlling interests of Cornerstone Insurance Plc in the group entities are as follows:

Company name	Country of incorporation	Nature of business	% equity holdings
Fin Insurance Company Limited	Nigeria	Non-life insurance business	96.68%
Cornerstone Leasing and Investment Limited	Nigeria	Leasing services	100.00%
Cornerstone Takaful Nigeria	Nigeria	Takaful insurance business	100.00%

(c) Other information on subsidiaries

(i) Cornerstone Leasing and Investment Limited commenced operation on 1 July 2004 as part of the parent company's ultimate strategic plan to provide world class leasing services. The Company was formerly a subsidiary of Cornerstone Asset Management Limited who later in 2009 transferred its shareholding in the company to the ultimate parent, Cornerstone Insurance Plc. Cornerstone Leasing and Investment Limited provides convenient asset acquisition options to both corporate organisations and individuals. The Company's primary place of business is Lagos, Nigeria.

(ii) Fin Insurance Company Limited is a private limited liability company incorporated in Nigeria and its primary activity is the provision of Non-life insurance business. Cornerstone Insurance Plc acquired 96.68% equity interest in Fin Insurance Company Limited in 2015. The acquisition was made in a bid to increase the market share of the Non-life Insurance business of the entity. The Company's primary place of business is Lagos, Nigeria. The proportion of the equity interest of the Company owned by the non-controlling interest is 3.32%.

(d) Significant restrictions

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the regulatory frameworks under which the insurance business operates. The regulatory frameworks require all insurance companies to maintain certain levels of regulatory capital and liquid assets and comply with other ratios such as the solvency margin.

(e) Condensed results of consolidated entities

The condensed financial data of the consolidated entities are as follows:

31 December 2020

Condensed statement of profit or loss

Condensed statement of profit or loss

<i>In thousands of naira</i>	Cornerstone Insurance Plc	Cornerstone Takaful Nigeria	Fin Insurance Company Limited	Cornerstone Leasing and Investment	Elimination entries	Group balances
Total income	16,744,554	281,278	2,601,329	-	-	19,627,161
Total expenses	(15,467,428)	(239,877)	(2,152,994)	-	(3,043)	(17,863,342)
Profit/ (Loss) before tax	1,277,126	41,401	448,335	-	(3,043)	1,763,819
Tax expense	461,045	-	(33,281)	-	-	427,764
Profit/ (Loss) from continued operation	1,738,171	41,401	415,054	-	(3,043)	2,191,583

Condensed statement of financial position

<i>In thousands of naira</i>	Cornerstone Insurance Plc	Cornerstone Takaful Nigeria	Fin Insurance Company Limited	Cornerstone Leasing and Investment	Elimination entries	Group balances
Total assets	36,481,875	1,353,702	10,256,420	11,445	(4,275,228)	43,828,214
Total liabilities	23,493,856	882,243	1,942,708	636,601	(851,644)	26,103,764
Shareholders' funds	12,988,019	471,459	8,313,712	(625,156)	(3,423,584)	17,724,450

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

31 December 2019

Condensed statement of profit or loss

<i>In thousands of naira</i>	Cornerstone Insurance Plc	Cornerstone Takaful Nigeria	Fin Insurance Company Limited	Cornerstone Leasing and Investment	Elimination entries	Group balances
Total income	16,086,749	-	1,801,359	-	-	17,888,108
Total expenses	(12,699,998)	-	(822,346)	-	-	(13,522,344)
Profit before tax	3,386,751	-	979,013	-	-	4,365,764
Tax expense	(97,506)	-	231,460	-	-	133,954
Profit for the year	3,289,245	-	1,210,473	-	-	4,499,718

Condensed statement of financial position

<i>In thousands of naira</i>	Cornerstone Insurance Plc	Cornerstone Takaful Nigeria	Fin Insurance Company Limited	Cornerstone Leasing and Investment	Elimination entries	Group balances
Total assets	29,382,749	1,068,046	9,068,305	11,445	(3,308,970)	36,221,575
Total liabilities	18,786,074	638,696	1,513,089	636,601	(660,611)	20,913,849
Shareholders' funds	10,596,675	429,350	7,555,216	(625,156)	(2,648,359)	15,307,726

14 Investment properties

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	560,000	532,000	-	-
Fair value gains/(losses)	42,000	28,000	-	-
Balance, end of the year	602,000	560,000	-	-
Current	-	-	-	-
Non-current	602,000	560,000	-	-
	602,000	560,000	-	-

The balance in this account can be analysed as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Cost	292,000	292,000	-	-
Fair value gain	310,000	268,000	-	-
	602,000	560,000	-	-

(a) The details of the investment properties of the Group are presented in the table below:

Details of the property	Owner	Carrying amount
Land and Twin Duplex, Plot 667 (A&B) Umozi Street, off Ladoke Akintola Boulevard, Garki II, Abuja	Fin Insurance Company Limited	570,000
Land and Two Blocks Flats, Houseno 16&18, 2nd Avenue, 21(D) Road by Babangida market, beside Dominion Chapel, FHA Estate, Lugbe, Abuja	Fin Insurance Company Limited	32,000
		602,000

(b) Measurement of fair values

(i) Fair value hierarchy

The fair value of investment properties was determined by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer, Orji & Partners Estate Surveyors and Valuers (FRC/2013/NIESV/00000003947) valued the properties on the basis of open market value as at 31 December 2020.

The fair value measurement for the investment properties of 602 million (2019: 560 million) has been categorised as a Level 3 fair value based on the inputs into the valuation technique used.

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

(ii) Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value. This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent time. References were made to prices of land and comparable properties in the neighbourhood. The data obtained were analysed and adjustment was made to reflect differences in site area and the actual location, quality of construction and off-site facilities.	-Prices per square meter	The estimated fair value would increase/(decrease) if the rate of development in the area increases/ (decreases), quality of the building increases/ (decreases), influx of people and/or business to the area increases/(decreases).

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

15 Property and equipment

(a) Group 31 December 2020

<i>In thousands of naira</i>	Land	Buildings	Right of use assets	Leasehold improvements	Motor vehicles	Equipment	Furniture & fittings	Total
Cost								
At 1 January 2020	1,288,808	602,339	26,710	64,877	721,729	586,875	198,223	3,489,561
Additions	-	-	62,233	-	56,682	27,453	1,076	147,444
Disposals	(23,000)	(17,000)	-	-	(60,288)	(569)	(1,763)	(102,621)
At 31 December 2020	1,265,808	585,339	88,943	64,877	718,123	613,758	197,536	3,534,384
Accumulated depreciation								
At 1 January 2020	72,017	281,677	-	17,482	491,476	544,146	178,551	1,585,349
Charge for the year	-	14,186	63,100	4,807	97,762	30,882	8,552	219,290
Reversal on impairment	-	-	-	-	-	-	(5,229)	(5,229)
Disposals	-	(698)	-	-	(43,416)	(371)	(559)	(45,045)
At 31 December 2020	72,017	295,165	63,100	22,289	545,822	574,657	181,315	1,754,365
Net book value								
At 31 December 2020	1,193,791	290,174	25,843	42,588	172,301	39,101	16,221	1,780,019
At 31 December 2019	1,216,791	320,662	26,710	47,395	230,253	42,729	19,672	1,904,212

Group 31 December 2019

<i>In thousands of naira</i>	Land	Buildings	Right of use assets	Leasehold improvements	Motor vehicles	Equipment	Furniture & fittings	Total
Cost								
At 1 January 2019	1,288,808	601,230	-	64,877	575,262	564,427	187,002	3,281,606
Additions	-	1,109	-	-	166,322	23,419	11,309	202,159
Disposals	-	-	-	-	(19,855)	(971)	(88)	(20,914)
Recognition of right-of-use asset	-	-	26,710	-	-	-	-	26,710
At 31 December 2019	1,288,808	602,339	26,710	64,877	721,729	586,875	198,223	3,489,561
Accumulated depreciation								
At 1 January 2019	72,017	263,459	-	12,158	417,137	513,400	164,586	1,442,757
Charge for the year	-	18,218	-	5,324	92,262	31,593	14,053	161,450
Disposals	-	-	-	-	(17,923)	(847)	(88)	(18,858)
At 31 December 2019	72,017	281,677	-	17,482	491,476	544,146	178,551	1,585,349
Net book value								
At 31 December 2019	1,216,791	320,662	26,710	47,395	230,253	42,729	19,672	1,904,212
At 31 December 2018	1,216,791	337,771	-	52,719	158,125	51,027	22,416	1,838,849

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

(b) **Company**
31 December 2020

<i>In thousands of naira</i>	Land	Buildings	Right of use assets	Leasehold improvements	Motor vehicles	Equipment	Furniture & fittings	Total
Cost								
At 1 January 2020	135,321	294,423	22,984	64,877	566,212	462,232	148,182	1,694,231
Additions	-	-	52,116	-	45,261	24,398	480	122,255
Disposals	-	-	-	-	(60,288)	(569)	(1,763)	(62,621)
Derecognition of Takaful Insurance	-	-	-	-	(13,495)	(278)	(507)	(14,280)
At 31 December 2020	135,321	294,423	75,100	64,877	537,690	494,379	137,955	1,739,585
Accumulated depreciation								
At 1 January 2020	-	116,987	-	17,482	360,461	429,663	130,329	1,054,922
Charge for the year	-	5,392	51,099	4,807	78,354	23,443	4,922	168,018
Derecognition of Takaful Insurance	-	-	-	-	(8,550)	(44)	(507)	(9,101)
Disposals	-	-	-	-	(43,416)	(371)	(559)	(44,347)
At 31 December 2020	-	122,379	51,099	22,289	386,849	452,691	134,185	1,169,492
Net book value								
At 31 December 2020	135,321	172,044	24,001	42,588	150,841	41,688	3,610	570,093
At 31 December 2019	135,321	177,436	22,984	47,395	205,751	32,569	17,853	639,309

Company
31 December 2019

<i>In thousands of naira</i>	Land	Buildings	Right of use assets	Leasehold improvements	Motor vehicles	Equipment	Furniture & fittings	Total
Cost								
At 1 January 2019	135,321	294,423	-	64,877	447,835	443,696	138,485	1,524,637
Additions	-	-	-	-	135,872	18,536	9,697	164,105
Disposals	-	-	-	-	(17,495)	-	-	(17,495)
Recognition of right-of-use asset	-	-	22,984	-	-	-	-	22,984
At 31 December 2019	135,321	294,423	22,984	64,877	566,212	462,232	148,182	1,694,231
Accumulated depreciation								
At 1 January 2019	-	111,880	-	12,158	296,664	405,492	119,783	945,977
Charge for the year	-	5,107	-	5,324	79,360	24,171	10,546	124,508
Disposals	-	-	-	-	(15,563)	-	-	(15,563)
At 31 December 2019	-	116,987	-	17,482	360,461	429,663	130,329	1,054,922
Net book value								
At 31 December 2019	135,321	177,436	22,984	47,395	205,751	32,569	17,853	639,309
At 31 December 2018	135,321	182,543	-	52,719	151,171	38,204	18,702	578,660

- (i) The Group and Company had no capital commitments as at 31 December 2020 (2019: Nil)
(ii) There were no capitalized borrowing costs related to the acquisition of property and equipment during the year (2019: Nil).
(iii) There are no restrictions on the Group and Company's title to its property and equipment.
(iv) All property and equipment items are non-current.

NOTES TO FINANCIAL STATEMENTS Cont'd

for the year ended 31 December 2020

16 Intangible assets

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Cost				
Balance, beginning of the year	212,760	209,844	184,895	181,979
Additions	5,211	2,916	704	2,916
Disposals	-	-	-	-
Balance, end of the year	217,971	212,760	185,599	184,895
Amortisation				
Balance, beginning of the year	183,396	161,028	155,531	135,595
Charge for the year	16,927	22,368	16,568	19,936
Disposals	-	-	-	-
Balance, end of the year	200,323	183,396	172,099	155,531
Carrying amount	17,648	29,364	13,500	29,364

17 Statutory deposit

This represents the amount deposited with the Central Bank of Nigeria in accordance with section 9(1) and section 10(3) of Insurance Act 2003. The cash amount held is considered to be a restricted cash as Management does not have access to the balances in its day-to-day activities. Interest income earned on this deposit is discretionary and is included in investment income.

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Non life business	800,000	600,000	300,000	300,000
Life business	200,000	200,000	200,000	200,000
Cornerstone Takaful Nigeria	200,000	200,000	-	200,000
	1,200,000	1,000,000	500,000	700,000
Current	-	-	-	-
Non-current	1,200,000	1,000,000	500,000	700,000
	1,200,000	1,000,000	500,000	700,000

18 Investment contract liabilities

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Investment contract liabilities	3,674,861	3,406,701	3,226,593	3,406,701

The movement in investment contract liabilities is analysed below:

Balance, beginning of the year	3,406,701	3,416,364	3,406,701	3,416,364
Contributions	1,396,936	1,403,778	1,205,513	1,403,778
Withdrawals	(1,293,203)	(1,599,777)	(1,129,608)	(1,599,777)
Guaranteed interest	164,427	186,336	164,427	186,336
Derecognition of Takaful DA	-	-	(420,440)	-
Balance, end of the year	3,674,861	3,406,701	3,226,593	3,406,701
Current	-	-	-	-
Non-current	3,674,861	3,406,701	3,226,593	3,406,701
	3,674,861	3,406,701	3,226,593	3,406,701

(a) Profit / (Loss) on investment contract liabilities

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Income				
Interest income (See note 30)	422,435	-	422,435	-
Guaranteed interest	(164,427)	(186,336)	(164,427)	(186,336)
	258,008	(186,336)	258,008	(186,336)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

19

Insurance contract liabilities

Insurance contract liabilities comprise:

	Carrying amount				Movement	
	Group 2020	Group 2019	Company 2020	Company 2019	Group	Company
<i>In thousands of naira</i>						
Outstanding claims (see note (i) below)	7,633,571	5,384,537	6,980,541	4,916,763	2,249,034	2,063,778
IBNR (see note (ii) below)	1,690,766	1,059,441	1,520,828	893,696	631,325	627,132
Unearned premium (see note (iv) below)	4,435,645	2,614,448	3,716,249	2,221,217	1,821,197	1,495,032
Life fund (see note (v) below)	1,592,159	1,179,719	1,592,159	1,179,719	412,440	412,440
Life annuity fund (see note (vi) below)	3,394,084	1,491,985	3,394,084	1,491,985	1,902,099	1,902,099
	18,746,225	11,730,130	17,203,861	10,703,380	7,016,095	6,500,481
Current	13,759,982	5,633,976	12,217,618	4,812,097		
Non-current	4,986,243	6,096,154	4,986,243	5,891,283		
	18,746,225	11,730,130	17,203,861	10,703,380		

The breakdown of insurance contract liabilities by business segment is as follows:

Life insurance contract liabilities

	Group 2020	Group 2019	Company 2020	Company 2019
<i>In thousands of naira</i>				
Outstanding claims	1,230,872	1,162,903	1,192,847	1,162,903
IBNR	211,706	-	211,706	-
Life fund	1,600,683	1,179,719	1,592,159	1,179,719
Life annuity fund	3,394,084	1,491,985	3,394,084	1,491,985
	6,437,345	3,834,607	6,390,796	3,834,607

Non-Life insurance contract liabilities

	Group 2020	Group 2019	Company 2020	Company 2019
<i>In thousands of naira</i>				
Outstanding claims	6,402,699	4,221,632	5,787,694	3,753,859
IBNR	1,479,060	1,059,441	1,309,122	893,695
Unearned premium	4,427,121	2,614,449	3,716,249	2,221,219
	12,308,880	7,895,522	10,813,065	6,868,773

(i) Movement in outstanding claims:

	Group 2020	Group 2019	Company 2020	Company 2019
<i>In thousands of naira</i>				
Balance, beginning of the year	5,384,537	4,517,203	4,916,763	4,062,746
Takaful Insurance	-	-	(59,663)	-
(Decrease)/ Increase during the year (see note 28(a))	2,249,037	867,334	2,123,443	854,017
Balance, end of the year	7,633,571	5,384,537	6,980,541	4,916,763

(ii) Movement in IBNR:

	Group 2020	Group 2019	Company 2020	Company 2019
<i>In thousands of naira</i>				
Balance, beginning of the year	1,059,441	1,041,222	893,696	860,456
Reclassification of Life IBNR	222,030	-	222,030	-
Takaful Insurance	-	-	(21,601)	-
Increase during the year (see note 28(a))	409,295	18,218	426,704	33,240
Balance, end of the year	1,690,766	1,059,441	1,520,828	893,696

(iii) Movement in additional reserve on cost overruns:

	Group 2020	Group 2019	Company 2020	Company 2019
<i>In thousands of naira</i>				
Balance, beginning of the year	-	99,029	-	99,029
Increase/ (Decrease) during the year	-	(99,029)	-	(99,029)
Balance, end of the year	-	-	-	-

(iv) Movement in unearned premium

	Group 2020	Group 2019	Company 2020	Company 2019
<i>In thousands of naira</i>				
Balance, beginning of the year	2,614,448	2,851,685	2,221,217	2,506,678
Takaful Insurance	-	-	(81,244)	-
Increase/ (Decrease) during the year (see note 26(b))	1,821,197	(237,237)	1,576,276	(285,461)
Balance, end of the year	4,435,645	2,614,448	3,716,249	2,221,217

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

(v) **Movement in Life fund:**

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	1,179,719	1,232,821	1,179,719	1,232,821
Life	(222,030)	-	(222,030)	-
Cornerstone Takaful Nigeria	-	-	-	-
Additions during the year (see note 26('c))	634,469	(53,102)	634,469	(53,102)
Balance, end of the year	1,592,159	1,179,719	1,592,159	1,179,719

(vi) **Movement in Life annuity fund:**

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	1,491,985	1,086,861	1,491,985	1,086,861
(Increase)/ Decrease during the year (see note 26(c))	1,902,100	405,124	1,902,100	405,124
Balance, end of the year	3,394,085	1,491,985	3,394,085	1,491,985

- (a) During the year, the Company recognised additional deposits to the annuity liability plan of N1.15billion in gross premium accounts and payouts of N284.5million in the claims paid account. The impact of the actuarial valuation of the annuity plan of N877.95million has also been recognized separately in the income statement.

(d) **Aging analysis**

(i) **Age analysis of outstanding claims - Group**

Outstanding claims per claimant	Number of Claimants	Number of				Total
		0-90 days	91-180 days	181-360 days	More than 360 days	
1-250,000	2,278	60,107	20,995	24,375	139,212	244,689
250,001 - 500,000	938	74,029	56,542	51,850	196,439	378,859
500,001 - 1,500,000	612	175,706	107,321	59,629	260,275	602,931
1,500,001 - 2,500,000	231	181,741	98,313	58,015	172,451	510,520
2,500,001 - 5,000,000	242	391,857	138,591	174,730	251,853	957,032
5,000,000 and Above	163	1,089,759	154,820	758,090	2,898,847	4,901,516
		1,973,200	576,582	1,126,688	3,919,078	7,595,546

(ii) **Age analysis of outstanding claims - Company**

Outstanding claims per claimant	Number of Claimants	Number of				Total
		0-90 days	91-180 days	181-360 days	More than 360 days	
1-250,000	2,274	57,820	19,500	21,814	133,720	232,853
250,001 - 500,000	937	68,597	52,502	46,636	191,201	358,936
500,001 - 1,500,000	611	162,239	97,518	58,738	241,449	559,943
1,500,001 - 2,500,000	231	172,997	96,313	54,628	138,841	462,779
2,500,001 - 5,000,000	242	373,702	138,591	171,918	244,323	928,534
5,000,000 and Above	161	1,054,141	154,820	555,380	2,673,155	4,437,496
		1,889,495	559,244	909,114	3,622,688	6,980,540

Though the Group and Company had outstanding claims of more than 90days at year end ranging from outstanding claims awaiting settlement decision, support documents and loss adjusters' reports, there were no outstanding claims with signed executed discharge voucher that were more than 90 days in accordance with Section 70 (1a) of the Insurance Act 2003.

- (i) The aging analysis of the Company's outstanding claims for the Non-life business is as follows:

Outstanding claims per claimant		Number of				Total
		0-90 days	91-180 days	181-360 days	More than 360 days	
1-250,000	1494	33,912	4,352	11,249	99,783	149,296
250,001 - 500,000	580	25,891	19,667	31,263	147,546	224,367
500,001 - 1,500,000	318	90,519	48,678	29,812	138,563	307,573
1,500,001 - 2,500,000	173	154,106	70,504	39,252	86,017	349,879
2,500,001 - 5,000,000	203	351,651	105,350	162,516	174,309	793,827
5,000,000 and Above	134	790,029	89,489	502,121	2,581,114	3,962,753
		1,446,108	338,041	776,212	3,227,333	5,787,694

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

- (ii) The aging analysis of the outstanding claims for the Life business is as follows:

Outstanding claims per claimant		0-90 days	91-180 days	181-360 days	More than 360 days	Total
1-250,000	780	23,908	15,148	10,566	33,936	83,558
250,001 - 500,000	357	42,706	32,834	15,374	43,655	134,569
500,001 - 1,500,000	293	71,720	48,840	28,926	102,885	252,370
1,500,001 - 2,500,000	58	18,890	25,809	15,376	52,824	112,899
2,500,001 - 5,000,000	39	22,050	33,241	9,403	70,014	134,708
5,000,000 and Above	27	264,113	65,331	53,259	92,041	474,743
		443,388	221,203	132,902	395,355	1,192,847
Aging analysis for Non-Life and Life		1,889,495	559,244	909,114	3,622,688	6,980,541

20 Trade payables

Trade payables represent amounts payable for reinsurers, co-insurers, agents and brokers at year end. The carrying amounts disclosed below approximate the fair values at the reporting date.

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Payables to reinsurers	234,129	1,624,290	135,722	1,616,929
Payables to co-insurers	26,520	140,495	26,520	138,141
Commission payable	54,190	20,103	54,190	20,103
Premium Deposits	1,304,856	1,806,891	1,187,450	1,705,946
	1,619,695	3,591,779	1,403,882	3,481,119
Current	1,619,695	3,591,779	1,403,882	3,481,119
Non-current	-	-	-	-
	1,619,695	3,591,779	1,403,882	3,481,119

- (a) Premium deposits represent premiums received in advance but for which the policy risk period is yet to commence as at the reporting date as well as other premium payments by customers into the Group and Company's bank accounts which are yet to be matched with specific policies as at the reporting date due to unavailability of relevant policy information. These are usually reconciled and matched with the appropriate policies on a regular basis.

The movement in premium deposits during the year was as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	1,806,891	1,833,583	1,705,946	1,775,801
Additions during the year	1,728,814	693,162	1,707,196	635,380
Transfers to premium income	(2,230,849)	(719,854)	(2,225,692)	(705,235)
Balance, end of the year	1,304,856	1,806,891	1,187,450	1,705,946

21 Other payables and accruals

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Financial				
Performance bonus	100,014	230,919	55,761	215,860
Other staff payables	24,726	19,705	22,702	17,681
National Housing Fund payable	8,551	3,959	8,551	3,959
Accounts payable	115,721	115,276	98,202	88,431
Professional fee payable	43,360	50,668	26,322	33,648
NITDA levy payable	-	1,104	-	1,104
NAICOM levy payable	121,300	104,881	121,300	104,881
Sundry creditors (see note (i) below)	33,968	147,140	13,612	49,319
	447,640	673,652	346,450	514,883
Non-financial				
Accrued expenses	307,367	93,497	242,107	93,497
PAYE	9,971	27,644	9,971	27,644
Withholding tax payable	77,787	6,383	77,787	6,383
	395,125	127,524	329,865	127,524
	842,765	801,176	676,315	642,407
Current	842,765	801,176	676,315	642,407
Non-current	-	-	-	-
	842,765	801,176	676,315	642,407

- (i) Sundry creditors comprise payables to vendors in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

22 Deferred commission income

The analysis of deferred commission income by class is as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Motor	12,270	9,323	3,251	5,979
Fire	59,724	46,718	41,885	37,109
General Accident	13,058	13,512	13,032	13,408
Bond	562	335	525	322
Engineering	365,834	63,657	347,169	55,673
Marine	28,148	13,633	18,815	10,368
Aviation	-	35	-	-
Agric	1,814	-	-	-
Oil and Gas	62,248	39,766	52,827	31,008
Group life	226,968	78,094	226,968	78,094
	770,626	265,073	704,472	231,961
Current	770,626	265,073	704,472	231,961
Non-current	-	-	-	-
	770,626	265,073	704,472	231,961

(a) Movement in deferred commission income:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	265,073	167,049	231,960	142,617
Additions during the year	2,123,552	1,241,030	1,919,973	1,108,625
Fees and commissions earned during the year (see note 27)	(1,617,999)	(1,143,006)	(1,447,461)	(1,019,282)
Balance, end of the year	770,626	265,073	704,472	231,960

23 Taxation

(a) Tax expense

The tax expense recognised in profit or loss is as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Income tax based on the taxable profit/loss for the year	54,337	3,378	25,256	3,378
Education tax	4,200	14,974	-	14,974
Police Trust Fund Levy	95	196	95	147
Information technology development levy (NITDA)	12,681	39,779	12,681	30,086
Total current income tax for the year	71,313	58,327	38,032	48,585
Deferred tax charge/ (credit) recognised in profit or loss	(499,077)	(208,382)	(499,077)	-
Income tax charge/(credit)	(427,764)	(150,055)	(461,045)	48,585
Minimum tax	-	54,874	-	48,921
Total tax charge/(credit) for the year	(427,764)	(95,181)	(461,045)	97,506

The charge for current income tax in these financial statements is based on the provisions of the Companies Income Tax Act, Cap C21, Laws of the Federation of Nigeria (LFN) 2004 as amended and Education Tax Act, Cap E4, Laws of the Federation of Nigeria 2004.

(b) Current tax liabilities

The movement in current tax liabilities during the year is as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	476,717	541,971	318,953	323,998
Income tax for the year (see note (a) above)	71,313	58,327	38,032	48,585
Minimum tax	-	54,874	-	48,921
Payment during the year	(102,231)	(178,455)	(80,021)	(102,551)
Balance, end of the year	445,799	476,717	276,964	318,953
Current	445,799	476,717	276,964	318,953
Non-current	-	-	-	-
	445,799	476,717	276,964	318,953

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

(c) Deferred taxation

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(i) The movement on the deferred tax assets account is as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	338,923	338,923	338,923	338,923
Recognised in profit or loss	499,077	-	499,077	-
	838,000	338,923	838,000	338,923

Deferred tax assets as at 31 December 2020 are attributable to the following:

<i>In thousands of naira</i>	Group 2020	Company 2020
Property and equipment	17,051	17,051
Unrelieved tax losses	820,949	820,949
	838,000	838,000

The Company will continue to assess the recoverability of its deferred tax assets, and to ensure that only amount considered recoverable are recognised in the books and presented in the statement of financial position. Due to the differences in interpretation of tax treatment for Maintenance cost and Acquisition cost amounting to N704 million, thus, the Company has not recognised deferred tax asset of N211.2 million in the financial statement.

(ii) The net movement on the deferred tax liabilities account is as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	-	208,382	-	-
Recognised in profit or loss	-	(208,382)	-	-
	-	-	-	-

(d) Reconciliation of effective tax rate

Group <i>In thousands of naira</i>	31 December 2020	31 December 2019
Profit/(loss) before tax	1,767,092	4,013,742
Income tax using the domestic corporation tax rate	530,127	1,204,123
Non deductible expenses	85,113	179,053
Impact of Non-deductible claims expenses	341,620	
Impact of Net Capital Allowance	-	
Impact of special reserve fund	(41,804)	
Tax exempt income	(360,976)	(1,554,971)
Impact of Non-taxable net premium income	(423,669)	
Impact of Non-taxable policy holders income	(818,369)	
Education tax	-	14,974
Minimum tax	25,256	54,874
Police Trust Fund Levy	95	196
(Utilization)/ CF of tax losses	755,599	
Impact of NITDF prior payment	(9,021)	
Impact of NITDF	12,682	
Impact of temporary differences	(532,359)	
Current year losses for which no deferred tax is recognised	-	145,918
Information technology tax	-	39,779
Changes in estimates related to prior years	-	(180,297)
	(435,706)	(96,351)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

Reconciliation of effective tax rate

Company

In thousands of naira

	31 December 2020		31 December 2019	
Profit/(Loss) before tax	1,277,126		3,034,730	
Income tax using the domestic corporation tax rate	383,138	30%	910,419	30%
Impact of Non-deductible expenses	85,113	7%	108,295	4%
Impact of Non-deductible claims expenses	341,620	27%	-	0%
Impact of Net Capital Allowance	-	0%	-	0%
Impact of special reserve fund	(41,804)	-3%	-	0%
Tax exempt income	(360,976)	-28%	(1,129,234)	-37%
Impact of Non-taxable net premium income	(423,669)	-33%	-	0%
Impact of Non-taxable policy holders income	(729,999)	-57%	-	
Impact of Education tax	7,000	1%	14,974	0%
Impact of Minimum tax	24,013	2%	48,921	2%
Police Trust Fund Levy	64	0%	147	0%
(Utilization)/ CF of tax losses	755,599	59%	-	0%
Impact of NITDF prior payment	(9,021)	-1%	-	0%
Impact of NITDF	12,771	1%	-	0%
Impact of temporary differences	(855,917)	-67%	-	0%
Current year losses for which no deferred tax asset is recognised	-	0%	112,727	4%
Information technology tax	-	0%	30,086	1%
	(812,068)	-64%	96,335	3%

24 Employees' Retirement Obligations

This represents the Company's liabilities from its defined benefit contribution pension plan which is in compliance with the Pension Reform Act, 2014. All pension contributions are remitted to the relevant registered Pension Fund Administrators.

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	3,577	3,306	1,553	1,282
Pension expense for the year	68,847	58,734	50,587	45,938
Payments made during the year	(68,631)	(58,463)	(50,371)	(45,667)
	3,793	3,577	1,769	1,553
Current	3,793	3,577	1,769	1,553
Non-current	-	-	-	-
	3,793	3,577	1,769	1,553

25 Equity

(a) Share capital

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Authorised:				
18,500,000,000 ordinary shares of 50k each	9,250,000	7,500,000	9,250,000	7,500,000
Issued and fully paid:				
Balance, beginning of the year	7,364,754	7,364,754	7,364,754	7,364,754
Bonus issues transfer from share premium	1,718,442	-	1,718,442	-
Balance, end of the year	9,083,196	7,364,754	9,083,196	7,364,754

(b) Share premium

This represents the amounts paid by shareholders above the nominal price of the shares.

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	1,947,166	1,947,166	1,947,166	1,947,166
Transfer to Share Capital by way of Bonus issues	(1,718,442)	-	(1,718,442)	-
Share issuing cost	(45,560)	-	(45,560)	-
Balance, end of the year	183,165	1,947,166	183,165	1,947,166

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

(c) Treasury shares

Treasury shares are owner equity instruments which are deducted from equity. No dividends are allocated to them.

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	(48,175)	(48,175)	(48,175)	(48,175)
Addition during the year	(10,265)	-	(10,265)	-
Balance, end of the year	(58,440)	(48,175)	(58,440)	(48,175)

(i) The breakdown of addition to treasury shares is as follows:

<i>In thousands of naira</i>			Group 2020	Group 2019	Company 2020	Company 2019
Purchase date	Units	Price /unit				
15-Sep-20	6,888,083	0.58	(4,002)	-	(4,002)	-
30-Oct-20	2,003,309	0.63	(1,262)	-	(1,262)	-
20-Nov-20	3,852,175	0.60	(2,311)	-	(2,311)	-
15-Dec-20	4,409,957	0.61	(2,690)	-	(2,690)	-
			(10,265)	-	(10,265)	-

(d) Retained Earnings/(losses)

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	1,392,250	(1,921,005)	(1,844,004)	(4,267,842)
Transfer to contingency reserves (see note (e) below)	(471,911)	(755,480)	(362,715)	(513,386)
Profit/ (Loss) for the year	2,181,076	4,068,735	1,774,919	2,937,224
Balance, end of the year	3,101,415	1,392,250	(431,800)	(1,844,004)

(e) Contingency reserve

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	3,545,360	2,789,880	2,942,312	2,428,926
Transfer from retained earnings (See note (d) above)	471,911	755,480	362,715	513,386
Balance, end of the year	4,017,271	3,545,360	3,305,027	2,942,312

In compliance with section 21(1) of Insurance Act 2003, the contingency reserve for Non-life insurance business is credited with the greater of 3% of total premium, or 20% of the net profits. This shall accumulate until it reaches the greater of minimum paid-up capital and 50% percent of the net premium. For life business, the contingency reserve is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reaches the amount of minimum paid-up capital.

(f) Fair value reserve

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	426,306	75,220	234,622	67,262
Fair value changes on Available-for-sale securities	705,888	351,086	672,249	167,360
Balance, end of the year	1,132,194	426,306	906,871	234,622

(g) Non-controlling interest in Equity

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year	250,715	204,218	-	-
Share of profit for the year	13,780	40,188	-	-
Share of other comprehensive income	1,155	6,309	-	-
Balance, end of the year	265,650	250,715	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

26 Premium income

(a) Gross premium written

Gross premium written by business is as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Non-life insurance	11,803,280	8,978,164	10,242,211	7,739,317
Life insurance	5,544,913	3,844,387	5,544,913	3,844,387
Takaful insurance	191,026	236,348	-	-
Gross written premium	17,539,219	13,058,899	15,787,124	11,583,704

(b) Gross premium income

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Gross premium written (see note (a) above)	17,539,219	13,058,899	15,787,124	11,583,704
Changes in unearned premium (see note 19(iv))	(1,820,508)	237,237	(1,576,275)	293,462
Gross premium income	15,718,711	13,296,136	14,210,849	11,877,166

(c) Changes in Life Business

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Changes in life fund (see note 19(v))	634,469	(53,102)	634,469	(53,102)
Changes in life annuity fund (see note 19(vi))	1,902,099	405,124	1,902,099	405,124
	2,536,568	352,022	2,536,568	352,022

(d) Reinsurance expenses

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Non-life insurance	7,606,054	5,602,840	6,802,450	5,000,986
Life insurance	2,039,166	1,246,493	2,039,166	1,246,493
Takaful insurance	33,357	42,808	-	-
Total reinsurance cost	9,678,577	6,892,141	8,841,616	6,247,479
Changes in prepaid reinsurance cost	(2,099,452)	(536,957)	(1,963,942)	(507,335)
	7,579,125	6,355,184	6,877,674	5,740,144
Net premium income	5,603,018	6,588,930	4,796,607	5,785,000

(e) Movement in reinsurance costs

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Balance, beginning of the year (See note 10(b)(i))	1,543,007	1,006,052	1,398,974	891,639
Reinsurance cost for the year	9,678,577	6,892,139	8,841,616	6,247,479
	11,221,584	7,898,191	10,240,590	7,139,118
Reinsurance cost amortised	(7,579,125)	(6,355,184)	(6,877,674)	(5,740,144)
Total reinsurance cost	(7,579,125)	(6,355,184)	(6,877,674)	(5,740,144)
Balance, end of the year (See note 10(b)(i))	3,642,459	1,543,007	3,362,916	1,398,974

27 Fees and commission income

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Fee and commission income (see note 22(a))	1,617,999	1,143,006	1,447,461	1,010,298
	1,617,999	1,143,006	1,447,461	1,010,298

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

28 (a) Gross claims incurred

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Gross benefits and claims paid	4,601,817	4,311,560	4,142,858	3,851,153
Change in outstanding claims (see note 19(i))	2,262,386	867,333	2,123,443	854,017
Changes in IBNR (see note 19(ii))	399,972	18,218	426,704	33,240
Changes in additional reserve on cost overruns (see note 19(iii))	-	(99,029)	-	(99,029)
	7,264,175	5,098,082	6,693,005	4,639,381

(i) Analysis of gross claims incurred by line of business:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Non-life insurance	5,199,670	3,133,661	4,665,838	2,871,478
Life insurance	2,027,167	1,767,903	2,027,167	1,767,903
Takaful insurance	33,311	196,518	-	-
	7,260,148	5,098,082	6,693,005	4,639,381

(b) Analysis of claims recoveries from reinsurers:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Recoveries from reinsurance on claims paid	2,467,555	1,073,883	2,320,790	993,320
Changes in reinsurers' share of outstanding claims (see note 10(b)(ii))	1,131,447	488,082	1,161,454	386,887
Changes in reinsurers' share of IBNR (see note 10(b)(iii))	376,614	48,192	392,834	80,367
Changes in reinsurances' share of claims paid	(620,614)	423,129	(673,972)	447,706
	3,355,002	2,033,286	3,201,106	1,908,280

(i) Analysis of claims recoveries from reinsurers

Non-life insurance	2,412,479	1,134,346	2,312,669	1,013,412
Life insurance	888,437	894,868	888,437	894,868
Takaful insurance	7,988	-	-	-
	3,308,904	2,029,214	3,201,106	1,908,280

29 Underwriting expenses

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Acquisition costs (see note (a) below)	1,707,688	1,476,999	1,447,008	1,267,022
Maintenance expenses (see note (b) below)	467,093	514,559	328,792	418,035
	2,174,781	1,991,558	1,775,800	1,685,057

(a) Acquisition costs by business is as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Acquisition cost - Life	471,914	400,755	471,914	400,755
Acquisition cost - Non-life	1,502,834	1,018,771	1,230,895	844,265
Acquisition cost - Takaful	41,215	36,910	-	-
Total commission paid	2,015,963	1,456,436	1,702,809	1,245,020
Changes in deferred acquisition cost	(306,569)	20,563	(255,801)	22,002
	1,709,394	1,476,999	1,447,008	1,267,022

(b) Maintenance expenses by business is as follows:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Maintenance cost - Life	232,173	13,966	232,173	13,966
Maintenance cost - Non-life	173,872	495,352	96,619	404,069
Maintenance cost - Takaful	61,048	5,241	-	-
	467,093	514,559	328,792	418,035

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

30 Investment income

This comprises:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Interest income on financial assets (see note (a) below)	850,516	770,886	506,529	487,595
Interest income - Investment contract liabilities (see note 18(a))	422,435	-	422,435	-
Total interest income	1,272,951	770,886	928,964	487,595
Rental income	14,500	-	-	-
Dividend income	292,814	357,534	225,825	284,195
Total investment income	1,580,265	1,128,420	1,154,789	771,790
Less: Interest income - Investment contract liabilities	(422,435)	-	(422,435)	-
Investment income on financial assets	1,157,830	1,128,420	732,354	771,790

(a) Interest income on financial assets:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Interest income received	439,463	419,040	331,059	223,587
Accrued interest:				
- Available-for-sale financial assets (see note 7(a)(iv))	290,799	192,395	161,944	192,395
- Loans and receivables (see note 7(c)(iii))	3,201	6,714	3,201	6,714
- Held-to-maturity investments (see note 7(d)(i))	117,054	152,737	10,326	64,899
	850,516	770,886	506,529	487,595

31 Net fair value gain

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Fair value gain on financial assets at FVTPL (see note 7(b)(i))	1,799,740	476,176	1,799,740	476,176
	1,799,740	476,176	1,799,740	476,176

32 (a) Net exchange gain

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Unrealised exchange gain:				
- Available-for-sale (AFS) financial assets	77,833	71,419	77,833	60,792
- Other	1,271,701	(4,114)	858,005	(1,399)
- Premiums	-	-	-	-
	1,349,534	67,305	935,838	59,393
Realised exchange gain - AFS financial assets	-	-	-	-
	1,349,534	67,305	935,838	59,393

The net exchange gain resulted from translation of foreign currency denominated balances of the entity using the closing rate as at reporting date in line with IAS 21 *The effect of changes in foreign exchange rates* and also from sales of foreign currency denominated assets during the year.

(b) Net trading income/(loss)

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Gain/(loss) on disposal of financial assets (see note (i) below)	255,394	1,267,790	45,101	1,120,669
	255,394	1,267,790	45,101	1,120,669

(i) This largely represents the gain on disposal of the MTN ordinary shares during the year.

33 Other operating income

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Miscellaneous income (see note (a) below)	189,280	404,421	113,053	346,836
Administrative income	-	29,110	-	29,110
Profit on disposal of property & equipment	-	102	-	-
Mudarabah Income	36,514	-	-	-
Recovery on subrogation	-	47,642	-	38,287
	225,794	481,275	113,053	414,233

(a) This represents the reversal of long outstanding unsubstantiated liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

34 Impairment losses

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Write-back on trade receivables (see note 8(c))	(4,124)	-	(4,124)	-
Loss on financial assets (see note 7(a))	834,685	-	834,685	-
Loss on other receivables	38,271	-	38,271	-
Write-back/(Loss) on other receivables (see note 9(d))	(27,313)	51,089	-	51,089
	841,519	51,089	868,832	51,089

35 Personnel expenses

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Salaries	1,158,745	941,863	901,112	755,231
Auxillary staff costs	225,857	254,803	205,522	231,736
Other staff allowances	415,250	541,999	307,988	467,812
Defined contribution pension costs	68,847	58,734	50,587	45,938
	1,868,699	1,797,399	1,465,209	1,500,717

36 Other operating expenses

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Advertising and promotions	32,805	64,814	27,121	57,830
Rents and rates	13,998	75,928	10,611	64,190
Consultancy fees	232,630	272,610	171,609	171,707
Legal fees	35,606	64,545	35,565	64,338
Repairs, fuel and maintenance	193,293	217,173	174,237	204,773
Statutory dues (NAICOM levy)	89,129	128,088	69,087	114,903
Directors' costs	64,869	68,254	47,933	46,635
Auditor's remuneration	38,688	42,500	25,000	28,400
Staff training and development	30,733	53,763	29,458	38,823
Subscription	9,343	20,341	4,083	11,489
Business travels	38,943	96,935	33,297	79,126
Fines and Penalties	2,050	7,725	1,550	2,225
Insurance	51,344	54,297	42,649	48,446
Medicals	94,286	32,315	85,862	32,315
AGM expenses	6,925	15,233	5,882	13,741
Telephone and postages	21,741	35,276	18,204	17,221
Electricity	20,059	22,861	14,792	17,304
Stationery and printing	13,775	14,365	11,618	11,188
Office expenses	17,179	70,239	16,042	66,455
IT Consumables	18,087	27,898	14,786	24,941
Loss on disposal of property & equipment	9,576	562	3,274	562
Donation*	38,202	2,250	20,840	2,250
Software maintenance cost	15,235	-	15,235	-
Sharia council allowance	6,333	-	-	-
Other expenses**	33,539	16,077	2,461	6,872
Business re-organisation and relocation	-	3,741	-	3,741
	1,128,368	1,407,790	881,196	1,129,475

*Donation made to Federal Government of Nigeria on COVID-19 fight through Nigeria Insurance Association.

**Other expenses includes entertainment, withholding tax expenses etc.

37 Finance cost

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Bank charges	52,654	66,785	28,136	56,929
	52,654	66,785	28,136	56,929

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

38 Earnings per share (EPS)

Basic earnings per share amounts is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the reporting date.

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Net profit/(loss) attributable to owners of the Company	2,181,076	4,068,735	1,774,919	2,931,985
Weighted average number of ordinary shares in issue for the purpose of EPS (see note (i) below)	18,049,512	18,070,042	18,049,512	18,070,042
Basic and diluted earnings per share (kobo)	12	23	10	16

- (i) The weighted average number of ordinary shares used for the purpose of EPS computation has factored in the treasury shares as shown below.

<i>In thousands of naira</i>	Group 2020	*Restated Group 2019	Company 2020	*Restated Company 2019
Weighted average number of ordinary shares in issue	14,729,508	14,729,508	14,729,508	14,729,508
Treasury shares	(116,880)	(96,350)	(116,880)	(96,350)
Effect of restatement due to bonus share issue	-	3,436,884	-	3,436,884
Weighted effect of bonus issue on shares in issue	3,436,884	-	3,436,884	-
Weighted-average number of ordinary shares at 31 December	18,049,512	18,070,042	18,049,512	18,070,042

* During the year, the Company issued bonus shares of seven shares for every thirty held. In line with the requirements of IAS 33, the bonus shares issued have been treated like they were issued before the beginning of the earliest period presented.

39 Related party disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions, or one party controls both. The definition includes parents, associates, joint ventures, as well as key management personnel.

(a) Transactions with related parties

Related party	Relationship	Nature of transactions	2020	2019
<i>In thousands of Naira</i>				
Fin Insurance Company Limited (see note 9(b))	Subsidiary	Intercompany receivable	77,317	50,178
Cornerstone Takaful Nigeria	Subsidiary	Intercompany receivable	168,571	-
			245,888	50,178
Directors	Directorship	Sale of insurance contracts		40,436

(b) Compensation of key management personnel

Key management personnel of the Group include all Directors, executive and non-executive.

The summary of compensation of key management personnel for the year is as follows:

<i>In thousands of naira</i>	2020	2019
Executive Directors allowances		
<i>Executive Directors Compensation comprise:</i>		
Salaries	130,842	114,782
Pension cost	6,405	5,024
	137,247	119,806
Chairman	4,000	4,000
Highest paid director	51,910	51,910
The number of Directors, including the Chairman, whose emoluments were within the following range were:		
	2020	2019
1,000,001 - 2,000,000	-	-
2,000,001 and above	9	10
	9	10

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

40 Contraventions and penalties

Penalties were paid during the year for the following contraventions:

In thousands of naira	2020	2019
Confirmation of Appointment of a Director prior to NAICOM Approval	-	250
Penalty for expired certification - FRCN	500	-
Re-filing of annual returns - NAICOM	1,050	-
Late filing of audited financial results - SEC	-	2,225
	1,550	2,475

41 Contingencies and commitments

(a) Legal proceedings and regulations

The Group and Company in its ordinary course of business is a defendant in twenty-five (25) (2019: 32 cases) litigation matters arising out of its normal business with total contingent liability of ₦1.86billion (2019: ₦2.37 billion). Based on the advice of the Group's solicitors and the legal team, the Directors believe that the outcome that would result from proceedings will not have material adverse effect on the financial position of the Group. Consequently, no provision has been made in these financial statements.

42 Employees

The average number of persons employed by the Company at the end of the year was:

	2020	2019
Managerial	25	21
Senior staff	60	68
Junior staff	71	76
	156	165

(a) The number of employees paid emoluments, excluding pension and allowances, above 500,000 for the year were:

	2020	2019
500,000 - 1,500,000	6	7
1500,001 - 2,500,000	-	8
2500,001 - 3,500,000	41	53
3,500,001 - 4,500,000	26	33
4,500,001 - 5,500,000	22	11
5,500,001 - 6,500,000	12	18
6,500,001 - 7,500,000	17	6
7,500,001 - 8,500,000	7	2
8,500,001 - 9,500,000	5	-
9,500,001 - 10,500,000	-	8
10,500,001 and above	20	12
	156	158

43 Events after reporting period

No significant event has occurred since the reporting date which requires adjustment of, or further disclosure in the financial statements.

43a Impact of COVID 19 on the Company's performance

The COVID-19 pandemic brought about a chaotic and fast changing business environment which saw businesses make decisions, review plans and come up with innovative solutions. The business and global economy were faced with conditions of high volatility, uncertainty, complexity, and ambiguity. To ensure ongoing impact of COVID -19 have been appropriately reflected in the financial statements, Cornerstone has assessed the impact of the pandemic on the Company's assets and liabilities. To adopt to this "new normal" that is still unfolding, management performed an assessment to determine how this impacts its ; going concern and liquidity, contract modifications, fair value measurement, government assistance and tax, and the results are summarized below. These assessments are carried out on an on-going basis and covers our short, medium, and long-term horizon.

Going concern and Liquidity

Cornerstone Insurance Plc adopted the going concern basis in the preparation of its financial statements. The Company deplored its business continuity plan to mitigate the risk of business disruptions as a result of the shutdowns and partial lockdowns instituted by the Federal and State government. The Company was able to carry out uninterrupted service delivery and continuous operations throughout the lockdown period.

Based on the above, the company concluded that there are no material uncertainties that might cast significant doubt on the ability of the company to continue to operate as a going concern into the foreseeable future.

Contract modifications

There was no major contract modification which would have significantly affected the Company's cash flows and projections other than a few requests for shorter periods insurance cover. In addition to its cost optimization strategy aimed at reducing costs, the company was able to renegotiate with some of its service providers (to ensure their services conforms with the requirement for remote working). The Company did not lay-off any staff nor slashed the salaries of its staff during the year as a direct consequence of COVID -19 Pandemic.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

44 Asset hypothecation

	Non-life Policy Holders	Annuity	Life Policy Investment Contract Liabilities	Life Policy Holders Insurance Contract Liabilities	Shareholders	Total 2020	Total 2019	% Change
<i>In thousands of naira</i>								
Cash and cash equivalents	3,669,505	1,521,751	1,152,456	1,572,895	258,655	8,175,263	8,193,360	-
Financial assets at fair value through profit or loss								
Available-for-sale financial assets:								
- Bonds measured at fair value	-	-	3,988,179	3,129,539	53,969	7,171,687	1,989,247	261 (100)
- Quoted equity securities	434,776	3,110,020	-	917,576	-	4,027,596	3,652,605	415 (68)
- Unquoted equity securities	2,005,720	-	-	-	342,130	776,906	782,379	1
Held-to-maturity	629,868	-	-	-	-	2,005,720	2,438,608	92
Loans and receivables	-	-	-	288,274	(0)	288,274	327,781	(12)
Trade receivables	-	-	-	-	108,675	108,675	58,100	87
Other receivables and prepayments	-	-	-	-	789,101	789,101	434,059	82
Reinsurance assets	6,052,045	-	-	1,145,051	-	7,197,096	4,356,741	65
Deferred acquisition cost	466,196	-	-	-	-	466,196	219,592	112
Investment in joint venture	-	-	-	-	137,738	137,738	293,116	(53)
Deferred tax assets	-	-	-	-	1,194,840	1,194,840	338,923	253
Investment in subsidiaries	-	-	-	-	3,620,847	3,620,847	2,954,748	23
Property and equipment	-	-	-	-	570,093	570,093	639,309	(11)
Intangible assets	-	-	-	-	13,500	13,500	29,364	(54)
Statutory deposits	-	-	-	-	500,000	500,000	700,000	(29)
	13,258,110	4,631,771	5,140,635	7,053,335	7,589,549	37,673,400	29,386,650	28
Insurance funds								
<i>In thousands of naira</i>								
Investment contract liabilities	-	-	3,226,593	-	-	3,226,593	3,406,701	(5)
Insurance contract liabilities	10,813,065	3,394,084	-	2,996,712	-	17,203,861	10,703,380	61
Other liabilities	-	-	-	-	-	-	4,653,196	100
Shareholders' and other funds	-	-	-	-	3,063,402	3,063,402	-	-
	10,813,065	3,394,084	3,226,593	2,996,712	3,063,402	23,493,856	18,763,277	
Surplus/(deficit) in Asset Cover	2,445,045	1,237,687	1,914,042	4,056,623	4,526,147	14,179,544	10,623,373	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

45 Statement of cash flow notes

Details of the statement of cash flows workings are presented below. Certain comparative figures have been reclassified in the statement of cash flows in order to align to the presentation adopted in the current year. The impact of these reclassification has been considered to be immaterial.

<i>In thousands of naira</i>	Note	Group 2020	Group 2019	Company 2020	Company 2019
(i) Premium received					
Gross written premium per income statement	26(a)	17,539,219	13,058,899	15,787,124	11,820,052
Add: Opening receivables (Gross)	8(a)	1,379,648	1,455,486	1,185,972	1,262,324
Less: Closing receivables (Gross)	8(a)	(1,469,921)	(1,379,648)	(1,232,423)	(1,185,972)
		17,448,946	13,134,737	15,740,673	11,896,404
(ii) Dividend income received					
Dividend income per income statement	30(a)	292,814	357,534	225,825	284,195
Add: Opening dividend receivable	9	48,105	20,790	38,272	15,212
Less: Closing dividend receivable	9	(9,833)	(48,105)	-	(38,272)
		331,086	330,219	264,097	261,135
(iii) Proceeds from disposal of property and equipment					
Cost of assets disposed	15	102,621	20,914	62,621	17,495
Accumulated depreciation of assets disposed	15	(45,045)	(18,858)	(44,347)	(15,563)
Net book value of disposed assets		57,576	2,056	18,274	1,932
Profit/ (Loss) on disposal	33 & 36	(9,576)	(460)	(3,274)	(562)
Disposal proceeds		48,000	1,596	15,000	1,370
(iv) Proceeds from sale of financial assets					
Carrying value of disposed assets - HTM	7(d)(i)	2,343,924	1,794,234	1,978,718	900,000
Carrying value of disposed assets - FVTPL	7(b)(i)	315,000	1,973,948	315,000	1,973,948
Carrying value of disposed assets - AFS	7(a)(iv)	874,574	2,364,990	275,420	2,085,234
Profit on disposal	32(b)	255,394	1,267,790	45,101	1,120,669
Sales proceeds		3,788,892	7,400,962	2,614,239	6,079,851
(v) Reinsurance premium paid					
Reinsurance cost	26(d)	(9,678,577)	(6,892,141)	(8,841,616)	(6,290,287)
Add: Closing reinsurance payable	20	234,129	1,624,290	135,722	1,616,929
Less: Opening reinsurance payable	20	(1,624,290)	(454,714)	(1,616,929)	(434,731)
		(11,068,738)	(5,722,565)	(10,322,823)	(5,108,089)
(vi) Acquisition costs paid					
Acquisition costs	29	(2,015,963)	(1,456,436)	(1,702,809)	(1,281,930)
Add: Closing commission payable	20	54,190	20,103	54,190	20,103
Less: Opening commission payable	20	(20,103)	(15,236)	(20,103)	(14,567)
		(1,981,876)	(1,451,569)	(1,668,722)	(1,276,394)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

46 Capital management

The Group's objective with respect to capital management is to maintain a capital base that is structured to exceed regulatory requirement and to best utilize capital allocations. Insurance industry regulation measure the financial strength of Non-life insurer using a solvency margin model. Generally, the National Insurance Commission (NAICOM) expects insurers to comply with capital adequacy requirements. The regulatory capital (as required under the Insurance Act, 2003 and NAICOM Guideline) within the Group have been maintained and preserved over the reporting periods.

(a) Approach to capital management

The Group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders. The Group's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in the light of changes in economic conditions and risk characteristics.

The primary source of capital used by the Group is equity shareholders' funds.

The table below shows the available capital resources as at 31 December:

<i>In thousands of naira</i>	Group 2020	Group 2019	Company 2020	Company 2019
Total shareholders' funds	17,458,800	14,627,661	12,988,019	10,596,675
Regulatory required capital	5,000,000	5,000,000	5,000,000	5,000,000
Excess capital reserve	12,458,800	9,627,661	7,988,019	5,596,675

(b) Regulatory framework

The insurance industry regulator measures the financial strength of Non-life Insurers using a Solvency Margin model. The National Insurance Commission (NAICOM) generally expects Non-life insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines the solvency margin of a Non-life insurer as the difference between the admissible assets and liabilities, and this shall not be less than 15% of the net premium income (gross income less reinsurance premium paid), or the minimum capital base (₦3 billion) for Non-life business plus ₦2 billion for Life business, if the later is applicable. higher.

This test compares the insurer's capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%. During the year, the Group met the minimum requirement. The regulator has the authority to request more extensive reporting and can place restrictions on the Group's operations if the Group falls below this requirement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

The solvency margin for the Non-life business of the Company is as follows:

Solvency margin computation as at 31 December 2020

<i>In thousands of naira</i>	Total assets	Admissible assets	Inadmissible assets	Note
Assets				
Cash and cash equivalents	8,175,263	8,175,263	-	
Financial assets	14,065,366	14,065,366	-	
Trade receivables	108,675	108,675	-	
Other receivables and prepayments	789,101	81,465	707,636	(i)
Reinsurance assets	7,197,096	7,197,096	-	
Deferred acquisition cost	466,196	466,196	-	
Deferred tax assets	838,000	-	838,000	(ii)
Investment in subsidiaries	3,620,847	3,620,847	-	
Investment in joint venture	137,738	137,738	-	
Property and equipment - Land & Building	307,365	307,365	-	
Property and equipment - Others	262,728	262,728	-	
Intangible assets	13,500	13,500	-	
Statutory deposits	500,000	500,000	-	
Total admissible assets	36,481,875	34,936,239	1,545,636	
Liabilities				
Investment contract liabilities	3,226,593	3,226,593	-	
Insurance contract liabilities	17,203,861	17,203,861	-	
Trade payables	1,403,882	1,403,882	-	
Other payables and accruals	676,315	676,315	-	
Deferred commission income	704,472	704,472	-	
Current tax liabilities	276,964	276,964	-	
Employee benefit obligations	1,769	1,769	-	
Total admissible liabilities	23,493,856	23,493,856	-	
Excess of total admissible assets over admissible liabilities		11,442,383		
Higher of:				
Gross premium written		15,787,124		
Less: Reinsurance expense		(6,877,674)		
Net premium		8,909,450		
15% of net premium		1,336,418		
Minimum paid up capital		5,000,000		
The higher thereof:		5,000,000		
Solvency margin surplus		6,442,383		

- (i) Amount represents the inadmissible portion of other receivables and prepayments, comprising other receivables and prepayments except staff loans and other prepaid expenses made to members of staff in line with Section 24(13) of the Insurance Act 2003. The Company has total staff loans and prepaid housing allowance of ₦61.7 million. These have been admitted for the purpose of the computation while the remaining balance in other receivables and prepayments has been excluded.
- (ii) Amount represents the entire deferred tax assets of the Company which has been excluded from the computation in line with Section 2.11(b)(vi) of the NAICOM Prudential Guidelines for Insurers and Reinsurers, 2015.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

47 Financial instruments - Fair values and risk management

(a) Accounting classifications and fair values

The following table shows the classification, carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(i) Financial instruments measured at fair value

Group		Carrying amount		Fair value			
31 December 2020							
<i>In thousands of naira</i>	Note	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Total	Level 1	Level 2	Level 3
Available-for-sale financial assets	7(a)	-	7,226,470	7,226,470	6,055,435	1,171,035	-
Financial assets at FVTPL	7(b)	7,206,517	-	7,206,517	7,206,517	-	-
		7,206,517	7,226,470	14,432,987	13,261,952	1,171,035	-
							14,432,987
Group		Carrying amount		Fair value			
31 December 2019							
<i>In thousands of naira</i>	Note	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Total	Level 1	Level 2	Level 3
Available-for-sale financial assets	7(a)	-	5,511,576	5,511,576	5,511,576	-	-
Financial assets at FVTPL	7(b)	1,989,247	-	1,989,247	1,989,247	-	-
		1,989,247	5,511,576	7,500,823	7,500,823	-	-
							7,500,823

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

Company
31 December 2020

31 December 2020		Carrying amount		Fair value				
		Financial assets at fair value through profit or loss		Available-for-sale	Total			
<i>In thousands of naira</i>	<i>Note</i>				Level 1	Level 2	Level 3	Total
Available-for-sale financial assets	7(a)	-	5,975,537	5,975,537	4,804,502	1,171,035	-	5,975,537
Financial assets at FVTPL	7(b)	7,171,687	-	7,171,687	7,171,687	-	-	7,171,687
		7,171,687	5,975,537	13,147,224	11,976,189	1,171,035	-	13,147,224

Company
31 December 2019

Company		Carrying amount				Fair value							
31 December 2019		Financial assets at fair value through profit or loss		Available-for-sale		Level 1		Level 2		Level 3		Total	
<i>In thousands of naira</i>		<i>Note</i>											
Available-for-sale financial assets		7(a)		-	4,598,112	4,598,112		4,598,112		-		4,598,112	
Financial assets at FVTPL		7(b)		1,989,247	-	1,989,247		1,989,247		-		1,989,247	
				1,989,247	4,598,112	6,587,359		6,587,359		-		6,587,359	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

(ii) Financial instruments not measured at fair value

Group
31 December 2020

	Note	Loans and receivables	Held-to- maturity investments	Available-for- sale financial assets	Other financial liabilities	Total	Fair value
Financial assets not measured at fair value							
Cash and cash equivalents	6	11,662,703	-	-	-	11,662,703	11,662,703
Available-for-sale financial assets	7(a)	-	-	2,005,720	-	2,005,720	2,005,720
Loans and receivables*	7(c)	288,274	-	-	-	288,274	288,274
Held-to-maturity investments	7(d)	-	3,681,466	-	-	3,681,466	1,862,232
Trade receivables*	8	154,580	-	-	-	154,580	154,580
Other receivables*	9	474,815	-	-	-	474,815	474,815
Reinsurance assets* [^]	10	497,233	-	-	-	497,233	497,233
		13,077,605	3,681,466	2,005,720	-	18,764,791	16,945,557
Financial liabilities not measured at fair value							
Trade payables*	20	-	-	-	1,619,695	1,619,695	1,619,695
Other payables ^v	21	-	-	-	447,640	447,640	447,640
		-	-	-	2,067,335	2,067,335	2,067,335

Group
31 December 2019

Financial assets not measured at fair value							
Cash and cash equivalents	6	12,649,384	-	-	-	12,649,384	12,649,384
Available-for-sale financial assets	7(a)	-	-	2,348,479	-	2,348,479	1,998,594
Loans and receivables*	7(c)	327,781	-	-	-	327,781	327,781
Held-to-maturity investments	7(d)	-	2,484,225	-	-	2,484,225	1,862,232
Trade receivables*	8	60,183	-	-	-	60,183	60,183
Other receivables*	9	543,463	-	-	-	543,463	543,463
Reinsurance assets* [^]	10	1,171,205	-	-	-	1,171,205	1,171,205
		14,752,016	2,484,225	2,348,479	-	19,584,720	18,612,842
Financial liabilities not measured at fair value							
Trade payables*	20	-	-	-	3,591,779	3,591,779	3,591,779
Other payables*	21	-	-	-	673,652	673,652	673,652
		-	-	-	4,265,431	4,265,431	4,265,431

* The carrying amounts of the above financial assets and financial liabilities are a reasonable approximation of fair value, and so no fair value hierarchy has been disclosed for them.

^v Trade payables excludes premium deposits which are not financial liabilities.

[^] Reinsurance assets excludes prepaid reinsurance which is not a financial asset.

Company
31 December 2020

	Note	Loans and receivables	Held-to- maturity investments	Available-for- sale financial assets	Other financial liabilities	Total	Fair value
Financial assets not measured at fair value							
Cash and cash equivalents	6	8,175,263	-	-	-	8,175,263	8,175,263
Available-for-sale financial assets	7(a)	-	-	2,005,720	-	2,005,720	2,005,720
Loans and receivables*	7(c)	288,274	-	-	-	288,274	288,274
Held-to-maturity investments	7(d)	-	629,868	-	-	-	629,868
Trade receivables*	8	108,675	-	-	-	108,675	108,675
Other receivables	9	671,095	-	-	-	671,095	671,095
Reinsurance assets* [^]	10	497,233	-	-	-	497,233	497,233
		9,740,540	629,868	2,005,720	-	11,746,260	12,376,128
Financial liabilities not measured at fair value							
Trade payables*	20	-	-	-	1,403,882	1,403,882	1,403,882
Other payables*	21	-	-	-	346,450	346,450	346,450
		-	-	-	1,750,332	1,750,332	1,750,332

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

Company

31 December 2019

Financial assets not measured at fair value

		Loans and receivables	Held-to- maturity	Available-for- sale	Other financial liabilities	Total	Fair value
Cash and cash equivalents	6	8,193,360	-	-	-	8,193,360	8,193,360
Available-for-sale financial assets ^{^^}	7(a)	-	-	2,275,480	-	2,275,480	2,275,480
Loans and receivables	7(c)	327,781	-	-	-	327,781	327,781
Held-to-maturity investments		-	1,978,718	-	-	-	1,978,718
Trade receivables*	8	58,100	-	-	-	58,100	58,100
Other receivables*	9	551,731	-	-	-	551,731	551,731
Reinsurance assets* [^]	10	1,171,205	-	-	-	1,171,205	1,171,205
		10,302,177		2,275,480	-	12,577,657	14,556,375

Financial liabilities not measured at fair value

Trade payables* ^v	20	-	-	-	3,481,119	3,481,119	3,481,119
Other payables*	21	-	-	-	514,883	514,883	514,883
		-	-	-	3,996,002	3,996,002	3,996,002

* The carrying amounts of the above financial assets and financial liabilities are a reasonable approximation of fair value, and so no fair value hierarchy has been disclosed for them.

^v Trade payables excludes premium deposits which are not financial liabilities

[^] Reinsurance assets excludes prepaid reinsurance and reinsurers' share of outstanding claims and IBNR which are not financial assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

(b) Financial risk management

Risk is at the heart of the business of any Insurance company and operational risks amongst others are an inevitable consequence of being in the financial services industry. The Company's activities expose it to a variety of risks, and those activities principally involve creation of insurance contracts & financial assets and liabilities. The Company's aim is therefore to achieve an appropriate balance between risk and return, and minimise potential adverse effects on the Company and Group's financial performances. This is achieved by a robust framework and clearly defined and transparent risk management process which outlines the processes for risk identification, risk assessment/measurement, risk treatment/control, risk monitoring & review, risk reporting, and risk communication and consultation.

(i) Risk management framework

The Group's board of directors has the overall responsibility for the establishment of oversight of the group's risk management framework. The board of directors has established the Enterprise Risk Management and Governance Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The risk policy is detailed in the Enterprise Risk Management (ERM) Framework, which is a structured approach to identifying opportunities, assessing the risk inherent in these opportunities and managing these risks proactively in a cost effective manner. It is a top-level integrated approach to events identification and analysis for proper assessment, monitoring and identification of business opportunities. Specific policies are also in place for managing risks in the different risk areas of credit, market, liquidity, operational and insurance risks.

The evolving nature of risk management practices and the dynamic character of the insurance industry will necessitate regular review of the effectiveness of each Enterprise Risk Management component. In light of this, the Company's risk management framework shall be subject to continuous review to ensure that effective and cutting edge risk management is applied.

The review shall be completed using either or both of the following approaches:

- Continuous self-evaluation and monitoring by the Risk Management Function in conjunction with Internal Audit; and/or
- Independent evaluation by external auditors, examiners or consultants.

The Head, Enterprise Risk Management unit has the primary responsibility for risk management within the organisation and shall assume responsibility for the review. The Board shall approve all amendments to the Risk management framework.

(ii) Credit risk

Credit risk is the risk of loss arising from the failure of a client or counterparty to fulfil its obligations to the Group. In addition to credit risks arising out of investments and transactions with clients, the Group actively assumes credit risk through the writing of insurance business and the approval and issuance of loans. Credit risk can arise when a policyholder defaults on loan payments or settlement of premium payments and can also arise when its own repayment capability decreases.

The Group's strategy as an insurance company does not entail the elimination of credit risk but rather to take on credit risk in a well-controlled, planned and targeted manner pursuant to its business objectives. Its approach to measuring credit risk is therefore designed to ensure that it can be assessed accurately in all its forms, and that relevant, timely and accurate credit risk information is available to the relevant decision makers at an operational and strategic level at all times.

At a strategic level, the Group seeks to manage its credit risk profile within the constraints of its overall risk appetite and to structure its portfolio so that it provides optimal returns for the level of risk taken. Operationally, credit risk management is governed by the overall risk appetite framework and aims to ensure that the risk inherent to individual exposures or certain business portfolios is appropriately managed through the economic cycle.

In designing credit policies, due consideration is given to the Company's commitment to:

- a) Create, monitor and manage credit risk in a manner that complies with all applicable laws and regulations;
- b) Identify credit risk in each investment, loan or other activity of the Insurance Group;
- c) Utilize appropriate, accurate and timely tools to measure credit risk;
- d) Set acceptable risk parameters;
- e) Maintain acceptable levels of credit risk for existing individual credit exposures;
- f) Maintain acceptable levels of overall credit risk for the Group's portfolio; and
- g) Coordinate credit risk management with the management of other risks inherent in the Group's business activities.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties. The credit risks on the Group's investment securities is considered to be low as the counterparties are mostly banks, government agencies, and other entities with high-credit ratings. The Group also writes unit-linked business where the policyholder bears the investment risk on the assets held. The shareholders' risk is limited to the extent that income arising from asset management charges is based on the value of those assets.

The Group's credit risk can be analysed as follows:

<i>In thousands of naira</i>	Note	Group 2020	Group 2019	Company 2020	Company 2019
Cash and cash equivalents (see note (d) below)	6	11,662,703	12,649,384	8,175,263	8,193,360
Loans and receivables (see note (b) below)	7(c)	288,274	327,781	288,274	327,781
Trade receivables (see note (a) below)	8	154,580	60,183	108,675	58,100
Other receivables (see note (e) below)	9	474,815	543,463	671,095	551,731
Reinsurance receivables (see note (c) below)	10	497,233	1,171,205	497,233	1,171,205
Debt securities (see note (f) below)	7	8,400,610	6,136,830	4,657,464	5,631,323
		21,478,215	20,888,846	14,398,004	15,933,500

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

a Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. The credit risk of its counterparties, including the default risk of the industry and region in which the counterparties operate is also considered.

The impairment analysis of trade receivables is as follows:

In thousands of naira	Group 2020	Group 2019	Company 2020	Company 2019
Assets at amortised cost				
Individually impaired	1,315,341	1,319,465	1,123,748	1,127,872
Allowance for impairment	(1,315,341)	(1,319,465)	(1,123,748)	(1,127,872)
Carrying amount	-	-	-	-
Past due but not impaired	-	-	-	-
Neither past due nor impaired	154,580	60,183	108,675	58,100
	154,580	60,183	108,675	58,100

The aging of trade receivables that were not impaired was as follows:

In thousands of naira	Group 2020	Group 2019	Company 2020	Company 2019
Past due 1-30 days	154,580	60,183	108,675	58,100
Past due 31-90 days	-	-	-	-
Past due 91-120 days	-	-	-	-
	154,580	60,183	108,675	58,100

b Loans and receivables

The Group's loans and receivables comprises of loans to policy holders and other customers with which are fully collateralized with the policyholders' fund deposit with the Company. It also comprises finance lease receivables which have been fully impaired as at year-end.

The impairment analysis of loans and receivables is as follows:

In thousands of naira	Group 2020	Group 2019	Company 2020	Company 2019
Assets at amortised cost				
Individually impaired	8,833	8,833	8,833	8,833
Allowance for impairment	(8,833)	(8,833)	(8,833)	(8,833)
Carrying amount	-	-	-	-
Past due but not impaired	-	-	-	-
Neither past due nor impaired	288,274	327,781	288,274	327,781
	288,274	327,781	288,274	327,781

c Reinsurance receivables

The Group insures insurance risk in the normal course of business on the bases of treaty and facultative agreements. Reinsurance receivables represents the balances due from reinsurers which is the reinsurer's share of claims paid. Reinsurance receivables stood at ₦504.4 million (2019: ₦1.17 billion) out of which ₦497 million was impaired (2019: ₦497 million impaired)

d Cash and cash equivalents

The Group's cash and cash equivalents are held with reputable banks and financial institutions. The credit risk on these assets are considered low as the counterparties are banks with high credit rating.

e Other receivables

The Group's other receivables comprises of receivables from other counterparties with which the entity had transactions with during the year. ₦408 million (2019: ₦435 million) of the Group's receivables was fully impaired as at 31 December 2020.

f Debt securities

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a very high credit rating. The Group's debt securities are its investment in bonds.

The Group did not have any debt securities that were past due or impaired as at 31 December 2020 (2018: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

(iii) Liquidity risk

Liquidity risk is the potential for loss to the Company arising from either its inability to meet its obligations or to fund increases in assets as they fall due without incurring unacceptable cost or losses. Liquidity risk arises when the cushion provided by the liquid assets is not sufficient to meet its obligation (Funding-liquidity risk).

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

In the management of its liquidity risk position, the Group employs the following:

- Monitoring cash flow trends and forecasting future cash flow using a comprehensive cash inflow and outflow analysis that takes into consideration the liquidity needs from all possible sources within the Group.
- In addition to the cash flow analysis, using a variety of ratios and limits to quantify its liquidity risk. Internal limits are defined for the following liquidity risk indicators; liquid assets/projected demand liabilities, percentage of total debt obligations not fully funded at any point in time, total loans/total equity, borrowed funds to total assets and commitment to exposure level.
- Maintaining a desired composition of asset and liabilities to maintain liquidity with more focus on the diversification and stability of liabilities.
- Effective monitoring of liquidity risk using routine reports such as cost of funds reports, liability pricing reports, cash flow or limit monitoring and exceptions reports.
- Monitoring the Group's contractual maturity gap under normal and stress conditions
- Maintaining minimum liquidity requirements
- Maintaining contingency funding plan

The final authority and responsibility for all activities that expose the Group to liquidity risk management rests with the Board of Directors. The Board, however, may delegate this authority to the Board Enterprise Risk Management Committee, the Finance, Investment and General Purpose Committee and the Board Audit Committee.

Exposure to liquidity risk

The following table summarises the maturity profile of the non-derivative financial assets and financial liabilities of the Group based on the remaining undiscounted contractual obligations, including interest payable and receivable.

For insurance contract liabilities and reinsurance assets, maturity profiles are determined based on the estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow.

Group 31 December 2020

31 December 2020		Contractual cash flows						
<i>In thousands of naira</i>	<i>Note</i>	Carrying amount	Gross nominal inflow/(outflow)	3 months or less	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
<i>Non-derivative financial assets</i>								
Cash and cash equivalents	6	11,662,703	11,662,703	11,662,703	-	-	-	-
Available-for-sale financial assets	7(a)	7,226,470	6,627,978	21,905.42	152,337.87	-	280,690.31	6,173,045
Financial assets at FVTPL	7(b)	7,206,517	7,206,517	82,419.47	-	789,048.25	430,291.99	5,904,758
Held-to-maturity investments	7(d)	3,681,466	3,681,466	-	2,423,766	-	-	1,257,700
Loans and receivables	7(c)	288,274	288,274	-	288,274	-	-	-
Trade receivables	8	154,580	154,580	154,580	-	-	-	-
Other financial assets	9	474,815	474,815	-	474,815	-	-	-
Reinsurance receivables	10	497,233	497,233	-	497,233	-	-	-
		31,192,058	30,593,567	11,921,608	3,836,426	789,048	710,982	13,335,502
<i>Non-derivative financial liabilities</i>								
Trade payables	20	1,619,695	1,619,695	-	1,619,695	-	-	-
Other payables	21	447,640	447,640	-	447,640	-	-	-
		2,067,335	2,067,335	-	2,067,335	-	-	-
Liquidity gap			28,526,232	11,921,608	1,769,091	789,048	710,982	13,335,502

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

Group 31 December 2019

31 December 2019		Contractual cash flows						
<i>In thousands of naira</i>	<i>Note</i>	Carrying amount	Gross nominal inflow/(outflow)	3 months or less	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
<i>Non-derivative financial assets</i>								
Cash and cash equivalents	6	12,649,384	12,649,384	12,649,384	-	-	-	-
Available-for-sale financial assets	7(a)	7,860,055	12,040,922	161,078	483,816	556,780	1,429,790	9,409,458
Financial assets at FVTPL	7(b)	1,989,247	1,989,247	-	-	-	-	1,989,247
Held-to-maturity investments	7(d)	2,484,225	2,649,909	39,786	2,088,000	355,167	166,956	-
Loans and receivables	7(c)	327,781	327,781	-	327,781	-	-	-
Trade receivables	8	60,183	60,183	60,183	-	-	-	-
Other financial assets	9	543,463	543,463	-	543,463	-	-	-
Reinsurance receivables	10	1,171,205	1,171,205	-	1,171,205	-	-	-
		27,085,543	31,432,094	12,910,431	4,614,265	911,947	1,596,746	11,398,705
<i>Non-derivative financial liabilities</i>								
Trade payables	20	3,591,779	3,591,779	-	3,591,779	-	-	-
Other payables	21	673,652	673,652	-	673,652	-	-	-
		4,265,431	4,265,431	-	4,265,431	-	-	-
Liquidity gap			27,166,663	12,910,431	348,834	911,947	1,596,746	11,398,705

Company 31 December 2020

31 December 2020		Contractual cash flows						
<i>In thousands of naira</i>	<i>Note</i>	Carrying amount	Gross nominal inflow/(outflow)	3 months or less	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
<i>Non-derivative financial assets</i>								
Cash and cash equivalents	6	8,175,263	8,175,263	8,175,263	-	-	-	-
Available-for-sale financial assets	7(a)	5,975,537	6,078,169	21,905	152,338	-	280,690	5,623,236
Financial assets at FVTPL	7(b)	7,171,687	7,171,687	82,419	-	789,048	430,292	5,869,928
Loans and receivables	7(c)	288,274	288,274	-	288,274	-	-	-
Held-to-maturity investments	7(d)	629,868	629,868	-	629,868	-	-	-
Trade receivables	8	108,675	108,675	108,675	-	-	-	-
Other financial assets	9	671,095	671,095	-	671,095	-	-	-
Reinsurance receivables	10	497,233	497,233	-	497,233	-	-	-
		23,517,632	23,620,264	8,388,263	2,238,808	789,048	710,982	11,493,163
<i>Non-derivative financial liabilities</i>								
Trade payables	20	1,403,882	1,403,882	-	1,403,882	-	-	-
Other payables	21	346,450	346,450	-	346,450	-	-	-
		1,750,332	1,750,332	-	1,750,332	-	-	-
Liquidity gap		21,767,300	21,869,932	8,388,263	488,476	789,048	710,982	11,493,163

Company 31 December 2019

31 December 2019		Contractual cash flows						
<i>In thousands of naira</i>	<i>Note</i>	Carrying amount	Gross nominal inflow/(outflow)	3 months or less	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
<i>Non-derivative financial assets</i>								
Cash and cash equivalents	6	8,193,360	8,193,360	8,193,360	-	-	-	-
Available-for-sale financial assets	7(a)	6,873,592	11,054,459	161,078	483,816	556,780	1,429,790	8,422,995
Financial assets at FVTPL	7(b)	1,989,247	1,989,247	-	-	-	-	1,989,247
Loans and receivables	7(c)	327,781	327,781	-	327,781	-	-	-
Held-to-maturity investments	7(c)	1,978,718	2,088,000	-	2,088,000	-	-	-
Trade receivables	8	58,100	58,100	58,100	-	-	-	-
Other financial assets	9	551,731	551,731	-	551,731	-	-	-
Reinsurance receivables	10	1,152,421	1,152,421	-	1,152,421	-	-	-
		21,124,950	25,415,099	8,412,538	4,603,749	556,780	1,429,790	10,412,242
<i>Non-derivative financial liabilities</i>								
Trade payables	20	3,481,119	3,481,119	-	3,481,119	-	-	-
Other payables	21	514,883	514,883	-	514,883	-	-	-
		3,996,002	3,996,002	-	3,996,002	-	-	-
Liquidity gap			21,419,097	8,412,538	607,747	556,780	1,429,790	10,412,242

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

(iv) Market risk

Market risk is the risk that the Group's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates or equity prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group has established policies and procedures in order to manage market risk.

Currency risk

Foreign currency exchange risk is the exposure of the Company's financial position to adverse movements in exchange rates. Where the Group invests in financial instruments that are denominated in currencies other than its functional currency, it is exposed to foreign exchange risk. In this scenario, the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value or future cash flows of that portion of the Group's financial assets and liabilities denominated in currencies other than the Naira. The Group's exposure to foreign exchange risk arises majorly from its financial assets that are denominated in foreign currencies.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk is as follows:

Group	31 December 2020				31 December 2019			
	NGN	EUR	USD	GBP	NGN	EUR	USD	GBP
<i>In thousands of</i>								
Cash and cash equivalents	5,041,690	7,077	6,610,296	3,640	2,652,636	4,501	9,990,101	2,146
Financial assets at FVTPL	7,206,517	-	2,130,545	-	1,989,247	-	-	-
Loans and receivables	288,274	-	-	-	327,781	-	-	-
Available-for-sale financial assets	4,596,527	-	2,629,943	-	4,965,386	-	2,894,669	-
Held-to-maturity investments	-	-	3,681,466	-	2,343,924	-	140,301	-
Net statement of financial position exposure	17,133,008	7,077	15,052,250	3,640	12,278,974	4,501	13,025,071	2,146

Company	31 December 2020				31 December 2019			
	NGN	EUR	USD	GBP	NGN	EUR	USD	GBP
<i>In thousands of</i>								
Cash and cash equivalents	3,299,210	3,887	4,868,526	3,640	2,158,072	2,170	6,030,972	2,146
Financial assets at FVTPL	5,041,142	-	2,130,545	-	3,330,490	-	-	-
Loans and receivables	288,274	-	-	-	327,781	-	-	-
Available-for-sale financial assets	3,345,594	-	2,629,943	-	4,051,922	-	2,821,670	-
Held-to-maturity investments	-	-	629,868	-	1,978,718	-	-	-
Net statement of financial position exposure	11,974,220	3,887	10,258,882	3,640	11,846,983	2,170	8,852,642	2,146

The following significant exchange rates have been applied.

Naira	Year-end spot rate	
	2020	2019
USD 1	400.33	364.7

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Euro or US dollar against all other currencies at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effects In thousands of naira	Group				Company			
	Profit or loss		Equity, net of tax		Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
31 December 2020								
EUR (10% movement)	708	(708)	708	(708)	389	(389)	389	(389)
USD (10% movement)	1,025,888	(1,025,888)	1,025,888	(1,025,888)	1,025,888	(1,025,888)	1,025,888	(1,025,888)
31 December 2019								
EUR (10% movement)	450	(450)	450	(450)	217	(217)	217	(217)
USD (10% movement)	885,264	(885,264)	885,264	(885,264)	885,264	(885,264)	885,264	(885,264)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

(v) Interest rate risk

Interest rate risk is the impact that changes in interest rates could have on the Group's margins, earnings and capital. The Group's objective for interest risk management is to ensure that its earnings are stable and predictable over time.

Interest risk management process

The Group's interest rate risk is being managed through sound portfolio management principles incorporating transfer pricing and directed effectively managing the Group's mismatched positions. The inherent rate risk mismatch is managed through the optimal structuring of on balance sheet portfolio with due consideration to the re-pricing gaps between rate sensitive liabilities and rate-sensitive assets.

Interest rate risk limits are also defined to manage exposure. Limits established are as follows:

- Gap limits: This is expressed in terms of interest rate sensitive ratio for a given time band shall be used to manage the Group's potential re-pricing exposures
- Factor sensitivity limits: A sensitivity factor is determined to limit the change in the present value of the Group's portfolio given one basis point fluctuation in underlying interest rate

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

Group - 31 December 2020			Rate sensitive					Non rate-sensitive
			3 months or less	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years	
<i>In thousands of naira</i>	<i>Note</i>	<i>Carrying amount</i>						
Fixed-rate instruments								
Cash and cash equivalent	6	11,662,703	8,178,757	-	-	-	-	3,483,946
Available-for-sale financial assets	7(a)	7,226,470	21,905	152,338	-	280,690	3,675,297	3,205,944
Fair value through profit or loss		7,206,517	82,419	-	789,048	430,292	3,195,666	2,709,091
Loans and receivables	7(c)	288,274	-	-	288,274	-	-	-
Held-to-maturity financial assets	7(d)	3,681,466	-	2,423,766	-	-	1,257,700	-
Other financial assets	9	474,815	-	-	-	-	-	474,815
		30,540,245	8,283,082	2,576,104	1,077,322	710,982	8,128,663	9,873,796

Group - 31 December 2019			Rate sensitive					Non rate-sensitive
			3 months or less	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years	
<i>In thousands of naira</i>	<i>Note</i>	<i>Carrying amount</i>						
Fixed-rate instruments								
Cash and cash equivalent	6	12,649,384	3,377,227	-	-	-	-	9,272,157
Available-for-sale financial assets	7(a)	7,860,055	-	466,013	391,030	1,411,522	1,733,924	3,857,565
Loans and receivables	7(c)	327,781	-	-	327,781	-	-	-
Held-to-maturity financial assets	7(d)	2,484,225	-	365,206	-	140,301	-	-
Other financial assets	9	543,463	-	-	-	-	-	543,463
		23,864,908	3,377,227	831,219	718,811	1,551,823	1,733,924	13,673,185

Company - 31 December 2020			Rate sensitive					Non rate-sensitive
			3 months or less	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years	
<i>In thousands of naira</i>	<i>Note</i>	<i>Carrying amount</i>						
Fixed-rate instruments								
Cash and cash equivalent	6	8,175,263	6,205,609	-	-	-	-	1,969,654
Available-for-sale financial assets	7(a)	5,975,537	21,905	152,338	-	280,690	3,675,297	1,947,938
Fair value through profit or loss		7,171,687	82,419	-	789,048	430,292	3,195,666	2,674,261
Loans and receivables	7(c)	288,274	-	-	288,274	-	-	-
Held-to-maturity financial assets		629,868	-	629,868	-	-	-	-
Other financial assets	9	671,095	-	-	-	-	-	671,095
		22,911,724	6,309,934	782,206	1,077,322	710,982	6,870,963	7,262,948

Company - 31 December 2019			Rate sensitive					Non rate-sensitive
			3 months or less	3 - 12 months	1 - 2 years	2 - 5 years	More than 5 years	
<i>In thousands of naira</i>	<i>Note</i>	<i>Carrying amount</i>						
Fixed-rate instruments								
Cash and cash equivalent	6	8,193,360	3,205,567	-	-	-	-	4,987,793
Available-for-sale financial assets	7(a)	6,873,592	241,026	466,013	391,030	1,411,522	447,417	3,916,584
Loans and receivables	7(c)	327,781	-	-	326,635	-	-	-
Other financial assets	9	551,731	-	-	-	-	-	551,731
		15,946,464	3,446,592	466,013	717,665	1,411,522	447,417	9,456,108

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

Other market price risk

The Group is exposed to equity price risk, which arises from available-for-sale equity securities held for partially meeting the claims and benefits obligations. The management of the Group monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Risk Management Committee.

The primary goal of the Group's investment strategy is to maximise investment returns, both to partially meet the Group's claims and benefits obligations and to improve its returns in general.

Sensitivity analysis - Equity price risk

Most of the Group's listed equity investments are listed on the Nigerian Stock Exchange and are classified as available for sale. A 2% increase in the share price of those equities at the reporting date would have increased equity by ₦26.7 million (2019: ₦54.3 million) after tax. An equal change in the opposite direction would have reduced equity by ₦26.7 million after tax.

(vi) Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks.

Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

The Group's approach to Operational Risk Management was embedded within the ERM Framework manual which set out operational risk management standards and objectives for all key underlying business and support processes.

The policy:

- a) Governs risk management in all business activities;
- b) Facilitates the identification, measurement, management, monitoring and review of risk activities; and
- c) Reflect the internal and external environment within which the business activities take place.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

48 Insurance Risk

The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Group purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Group to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Group's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

Life insurance contracts (including investment contracts)

- (a) Life insurance contracts offered by the Group include: whole life, term assurance and deposit administration. Whole life and term assurance are conventional regular premium products when lump sum benefits are payable on death or permanent disability. Deposit administration is an investment product which accepts deposit from clients and other businesses of savings nature, by agreeing to pay interest on those deposits for an agreed period. For contracts for which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. For annuity contracts, the most significant factor is continued improvement in medical science and social conditions that would increase longevity. For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party.

The Group's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims' handling procedures.

Underwriting limits are in place to enforce appropriate risk selection criteria. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

Key assumptions

Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

Sensitivities

The analysis which follows is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

Sensitivity of liability to changes in long term valuation assumptions
31 December 2020 actuarial valuation

Assumptions		Sensitivity Test															
		Interest Rate				Mortality Rate				Inflation				Expense			
	Base Values	Interest Rate	NGN	1% fall	1% Rise	Mortality Rate	NGN	1% fall	1% Rise	Inflation rate	NGN	1% fall	1% Rise	Expense Rate	NGN	1% fall	1% Rise
Individual DA Liability	3,169,109,549	3,190,849,611	3,147,369,488	3,159,257,040	3,159,257,040	3,159,257,040	3,159,257,040	3,159,257,040	3,176,008,096	3,176,008,096	3,142,505,985	3,142,505,985	3,190,849,611	3,190,849,611	3,147,369,488	3,147,369,488	3,147,369,488
	Impact	21,740,061	-	21,740,061	-	9,852,509	-	9,852,509	6,898,547	6,898,547	-	26,603,565	21,740,061	21,740,061	-	21,740,061	-
Unpaid Exit	52,763,209.03	52,763,209.03	52,763,209.03	52,763,209.03	52,763,209.03	52,763,209.03	52,763,209.03	52,763,209.03	52,763,209.03	52,763,209.03	52,763,209.03	52,763,209.03	52,763,209.03	52,763,209.03	52,763,209.03	52,763,209.03	52,763,209.03
Total individual DA& Unpaid Exit	3,221,872,758	3,243,612,820	3,200,132,697	3,200,132,697	3,200,132,697	3,212,020,249	3,212,020,249	3,212,020,249	3,228,771,305	3,228,771,305	3,195,269,194	3,195,269,194	3,243,612,820	3,243,612,820	3,200,132,697	3,200,132,697	3,200,132,697
Risk Liability	2,640,085,125	2,514,649,967	2,763,319,461	2,591,898,608	2,591,898,608	2,591,898,608	2,685,970,799	2,685,970,799	2,645,148,939	2,645,148,939	2,633,004,037	2,633,004,037	2,639,262,952	2,639,262,952	2,637,710,846	2,637,710,846	2,637,710,846
	Impact	(125,435,157.80)	123,234,336.21	(48,186,517.59)	(48,186,517.59)	(48,186,517.59)	45,885,673.91	45,885,673.91	5,063,813.24	5,063,813.24	(7,081,087.86)	(7,081,087.86)	(822,173.45)	(822,173.45)	(2,374,279.56)	(2,374,279.56)	(2,374,279.56)
Outstanding Claim-Individual	134,316,906	134,316,906	134,316,906	134,316,906	134,316,906	134,316,906	134,316,906	134,316,906	134,316,906	134,316,906	134,316,906	134,316,906	134,316,906	134,316,906	134,316,906	134,316,906	134,316,906
Total individual and Annuity	2,774,402,031	2,648,966,874	2,897,636,368	2,726,215,514	2,726,215,514	2,726,215,514	2,820,287,705	2,820,287,705	2,779,465,845	2,779,465,845	2,767,320,944	2,767,320,944	2,773,579,858	2,773,579,858	2,772,027,752	2,772,027,752	2,772,027,752
Group Deposit Administration	4,722,268	4,769,491	4,675,046	4,722,268	4,722,268	4,722,268	4,769,491	4,769,491	4,675,046	4,675,046	4,722,268	4,722,268	4,769,491	4,769,491	4,675,046	4,675,046	4,675,046
Group Credit Life	809,819,079	809,819,079	809,819,079	809,819,079	809,819,079	809,819,079	809,819,079	809,819,079	809,819,079	809,819,079	809,819,079	809,819,079	809,819,079	809,819,079	809,819,079	809,819,079	809,819,079
Group life - UPR	377,907,881	377,907,881	377,907,881	377,907,881	377,907,881	377,907,881	377,907,881	377,907,881	377,907,881	377,907,881	377,907,881	377,907,881	377,907,881	377,907,881	377,907,881	377,907,881	377,907,881
Group Term	2,411,931	2,411,931	2,411,931	2,411,931	2,411,931	2,411,931	2,411,931	2,411,931	2,411,931	2,411,931	2,411,931	2,411,931	2,411,931	2,411,931	2,411,931	2,411,931	2,411,931
Group Keyman	85,076	85,076	85,076	85,076	85,076	85,076	85,076	85,076	85,076	85,076	85,076	85,076	85,076	85,076	85,076	85,076	85,076
Group Life - IBNR	211,706,051	211,706,051	211,706,051	211,706,051	211,706,051	211,706,051	211,706,051	211,706,051	211,706,051	211,706,051	211,706,051	211,706,051	211,706,051	211,706,051	211,706,051	211,706,051	211,706,051
Group Mortgage	62,424,406	60,519,241	64,494,020	63,667,001	63,667,001	63,667,001	61,193,824	61,193,824	62,424,406	62,424,406	62,424,406	62,424,406	62,424,406	62,424,406	62,424,406	62,424,406	62,424,406
Outstanding Claims : Group Life	1,058,530,253	1,058,530,253	1,058,530,253	1,058,530,253	1,058,530,253	1,058,530,253	1,058,530,253	1,058,530,253	1,058,530,253	1,058,530,253	1,058,530,253	1,058,530,253	1,058,530,253	1,058,530,253	1,058,530,253	1,058,530,253	1,058,530,253
Total	8,523,881,736	8,418,328,697	8,627,398,401	8,467,085,304	8,467,085,304	8,467,085,304	8,558,731,541	8,558,731,541	8,535,796,873	8,535,796,873	8,490,197,083	8,490,197,083	8,544,846,846	8,544,846,846	8,499,720,172	8,499,720,172	8,499,720,172

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

(b) Non-life insurance contracts

The Group principally issues the following types of general insurance contracts: fire, motor, casualty, workmen compensation, personal accident, marine and oil and gas. Risks under non-life insurance policies usually cover twelve months duration. For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography.

Furthermore, strict claim review policies and procedures exist to assess all new and on-going claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Group. The Group further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Group has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., hurricanes, earthquakes and flood damage).

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Group's risk appetite as decided by management. The overall aim is currently to restrict the impact of a single catastrophic event to approximately 50% of shareholders' equity on a gross basis and 10% on a net basis. In the event of such a catastrophe, counterparty exposure to a single reinsurer is estimated not to exceed 2% of shareholders' equity. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

Key assumptions

The principal assumption underlying the liability estimates is that the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year.

Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example: one-off occurrence, changes in market factors such as public attitude to claims, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

Sensitivities

The non-life insurance claim liabilities are sensitive to the key assumptions that follow. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The Group has taken advantage of the transitional rules of IFRS 4 that permit only five years of information to be disclosed upon adoption of IFRS.

In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the necessary confidence in the provisions adequacy is relatively at its highest. As claims develop, and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease. However, due to the uncertainty inherited in the estimation process, the actual overall claim provision may not always be in surplus.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

Basic chain ladder method - Fire

Incremental Chain ladder (Table of claims paid excluding large claims (Attritional Table))

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12	13
2008	-	52,975	12,453	4,090	389	30	-	-	-	-	-	-	-
2009	28,361	65,149	7,614	793	233	-	-	-	-	-	-	-	-
2010	72,225	48,575	160	3,079	193	-	-	-	-	-	-	-	-
2011	29,065	11,508	9,535	2,264	8,517	-	-	-	-	-	-	-	-
2012	82,973	46,408	11,656	-	-	-	-	-	-	-	-	-	-
2013	53,756	52,428	16,327	21	13	-	-	-	-	-	-	-	-
2014	47,881	35,936	983	848	2,147	121	-	-	-	-	-	-	-
2015	116,209	83,035	2,339	2,554	-	-	-	-	-	-	-	-	-
2016	104,258	71,025	20,468	1	-	-	-	-	-	-	-	-	-
2017	240,369	122,207	11,607	2,997	-	-	-	-	-	-	-	-	-
2018	81,920	177,771	15,389	-	-	-	-	-	-	-	-	-	-
2019	218,899	154,407	-	-	-	-	-	-	-	-	-	-	-
2020	187,554	-	-	-	-	-	-	-	-	-	-	-	-

Cumulative data (for attritional losses)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12	13
2008	-	52,975	65,428	69,518	69,907	69,937	69,937	69,937	69,937	69,937	69,937	69,937	69,937
2009	28,361	93,510	101,124	101,917	102,150	102,150	102,150	102,150	102,150	102,150	102,150	102,150	102,150
2010	72,225	120,800	120,960	124,039	124,232	124,232	124,232	124,232	124,232	124,232	124,232	124,232	124,232
2011	29,065	40,573	50,108	52,372	60,889	60,889	60,889	60,889	60,889	60,889	60,889	60,889	60,889
2012	82,973	129,381	141,037	141,037	141,037	141,037	141,037	141,037	141,037	141,037	141,037	141,037	141,037
2013	53,756	106,184	122,511	122,532	122,545	122,545	122,545	122,545	122,545	122,545	122,545	122,545	122,545
2014	47,881	83,817	84,800	85,648	87,795	87,916	87,916	87,916	87,916	87,916	87,916	87,916	87,916
2015	116,209	199,244	201,583	204,137	204,137	204,137	205,361	205,361	205,361	205,361	205,361	205,361	205,361
2016	104,258	175,283	195,751	195,752	195,752	212,533	213,722	213,722	213,722	213,722	213,722	213,722	213,722
2017	240,369	362,576	374,183	377,180	407,747	441,607	444,006	444,006	444,006	444,006	444,006	444,006	444,006
2018	81,920	259,691	275,080	295,371	317,983	343,032	344,806	344,806	344,806	344,806	344,806	344,806	344,806
2019	218,899	373,306	463,126	497,660	536,143	578,773	581,793	581,793	581,793	581,793	581,793	581,793	581,793
2020	187,554	630,335	777,297	833,801	896,767	966,517	971,458	971,458	971,458	971,458	971,458	971,458	971,458

Basic chain ladder method - Motor

Incremental Chain ladder (Table of claims paid excluding large claims (Attritional Table))

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12	13
2008	-	-	8,646	1,774	2,460	-	-	-	-	-	-	-	0
2009	-	140,122	33,076	5,864	-	-	-	-	-	-	-	-	-
2010	261,015	149,182	11,352	1,781	-	427	-	-	-	-	-	-	-
2011	226,774	62,179	7,647	428	182	-	-	-	-	-	-	-	-
2012	244,881	126,118	843	1,145	-	-	-	-	-	-	-	-	-
2013	270,060	102,542	5,360	-	-	-	-	-	-	-	-	-	-
2014	315,495	81,431	643	368	120	-	-	-	-	-	-	-	-
2015	360,538	234,145	25,685	2,188	-	-	-	-	-	-	-	-	-
2016	701,423	318,295	35,073	24,952	2,500	-	-	-	-	-	-	-	-
2017	960,242	432,589	37,897	389	-	-	-	-	-	-	-	-	-
2018	369,979	122,330	244	-	-	-	-	-	-	-	-	-	-
2019	478,325	70,782	-	-	-	-	-	-	-	-	-	-	-
2020	305,538	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

Cumulative data (for attritional losses)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12	13
2008	-	-	8,646	10,420	12,880	12,880	12,880	12,880	12,880	12,880	12,880	12,880	12,880
2009	-	140,122	173,198	179,062	179,062	179,062	179,062	179,062	179,062	179,062	179,062	179,062	179,062
2010	261,015	410,197	421,549	423,330	423,330	423,757	423,757	423,757	423,757	423,757	423,757	423,757	423,757
2011	226,774	288,953	296,600	297,028	297,210	297,210	297,210	297,210	297,210	297,210	297,210	297,210	297,210
2012	244,881	370,999	371,842	372,987	372,987	372,987	372,987	372,987	372,987	372,987	372,987	372,987	372,987
2013	270,060	372,602	377,962	377,962	377,962	377,962	377,962	377,962	377,962	377,962	377,962	377,962	377,962
2014	315,495	396,926	397,569	397,937	398,057	398,057	398,057	398,057	398,057	398,057	398,057	398,057	398,057
2015	360,538	594,683	620,368	622,556	622,556	622,556	622,556	622,556	622,556	622,556	622,556	622,556	622,556
2016	701,423	1,019,718	1,054,791	1,079,743	1,082,243	1,098,935	1,115,203	1,118,427	1,118,427	1,118,427	1,118,427	1,118,427	1,118,427
2017	960,242	1,392,831	1,430,728	1,431,117	1,455,126	1,476,985	1,498,288	1,502,510	1,502,510	1,502,510	1,502,510	1,502,510	1,502,510
2018	369,979	492,309	492,553	500,101	508,521	516,186	523,657	525,138	525,138	525,138	525,138	525,138	525,138
2019	478,325	549,106	558,350	567,056	576,768	585,610	594,227	595,935	595,935	595,935	595,935	595,935	595,935
2020	305,538	344,091	349,915	355,401	361,521	367,092	372,522	373,598	373,598	373,598	373,598	373,598	373,598

Basic chain ladder method - General Accident Incremental Chain ladder (Table of claims paid excluding large claims (Attritional Table))

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12	13
2008	-	59,297	42,071	14,514	4,767	2,366	1,474	225	-	-	-	-	-
2009	39,261	91,806	20,061	411	11,964	4,368	307	54	12	-	-	-	-
2010	37,896	79,908	6,814	8,405	6,238	2,709	177	403	-	59	-	-	-
2011	24,628	24,628	32,454	3,835	2,029	63	-	-	-	-	-	-	-
2012	94,121	65,575	17,969	2,281	211	1,366	837	3,003	-	-	-	-	-
2013	47,792	77,535	11,094	4,429	494	261	61	-	-	-	-	-	-
2014	76,533	79,985	27,531	5,483	3,351	667	7,717	-	-	-	-	-	-
2015	95,870	113,326	17,155	6,114	2,831	635	-	-	-	-	-	-	-
2016	115,336	147,940	45,864	5,889	7,552	-	-	-	-	-	-	-	-
2017	181,984	145,059	16,158	23,854	-	-	-	-	-	-	-	-	-
2018	111,953	82,669	21,562	-	-	-	-	-	-	-	-	-	-
2019	141,948	107,374	-	-	-	-	-	-	-	-	-	-	-
2020	147,072	-	-	-	-	-	-	-	-	-	-	-	-

Cumulative data (for attritional losses)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12	13
2008	-	59,297	101,368	115,882	120,649	123,015	124,489	124,714	124,714	124,714	124,714	124,714	124,714
2009	39,261	131,067	151,128	151,539	163,503	167,871	168,178	168,232	168,244	168,244	168,244	168,244	168,244
2010	37,896	117,804	124,618	133,023	139,261	141,970	142,147	142,550	142,550	142,609	142,609	142,609	142,609
2011	47,521	172,149	104,603	108,438	110,467	110,530	110,530	110,948	110,948	110,948	110,948	110,948	110,948
2012	94,121	159,696	177,665	179,946	180,157	181,523	182,360	185,363	185,363	185,363	185,363	185,363	185,363
2013	47,792	125,327	136,421	140,850	141,344	141,605	141,666	141,666	142,494	142,494	142,494	142,494	142,494
2014	76,533	156,518	184,049	189,532	192,883	193,550	201,267	203,159	204,346	204,346	204,346	204,346	204,346
2015	95,870	209,196	226,351	232,465	235,296	235,931	245,922	248,269	249,742	249,742	249,742	249,742	249,742
2016	115,336	263,276	309,140	315,029	322,581	325,048	387,407	390,782	392,899	392,899	392,899	392,899	392,899
2017	181,984	327,043	343,201	367,054	378,491	378,491	496,415	500,628	503,270	503,270	503,270	503,270	503,270
2018	111,953	194,622	216,184	244,344	275,950	275,950	328,750	331,499	333,223	333,223	333,223	333,223	333,223
2019	141,948	249,322	437,547	491,640	532,354	631,312	653,778	659,057	662,370	662,370	662,370	662,370	662,370
2020	147,072	303,317	530,619	595,941	669,260	764,611	791,741	798,116	802,116	802,116	802,116	802,116	802,116

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

for the year ended 31 December 2020

Basic chain ladder method - Marine and Aviation
Incremental Chain ladder (Table of claims paid excluding large claims (Attritional Table))

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12	13
2008	-	23,113	2,331	442	-	-	-	-	-	-	-	-	-
2009	5,037	14,674	7,744	10,845	2,851	-	-	-	-	-	-	-	-
2010	14,155	20,768	4,561	6,072	656	-	-	-	-	-	-	-	-
2011	12,661	6,127	4,977	23,135	267	-	-	-	-	-	-	-	-
2012	30,116	24,416	4,680	664	-	-	-	-	-	-	-	-	-
2013	29,124	27,021	2,331	-	-	6,989	-	-	-	-	-	-	-
2014	23,424	16,260	204	-	368	-	-	-	-	-	-	-	-
2015	21,674	17,110	4,168	741	-	-	-	-	-	-	-	-	-
2016	33,990	21,671	2,465	8,074	-	-	-	-	-	-	-	-	-
2017	24,404	11,389	28,443	-	-	-	-	-	-	-	-	-	-
2018	22,712	28,039	64	-	-	-	-	-	-	-	-	-	-
2019	50,426	51,962	-	-	-	-	-	-	-	-	-	-	-
2020	2,726	-	-	-	-	-	-	-	-	-	-	-	-

Cumulative data (for attritional losses)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12	13
2008	-	23,113	25,444	25,886	25,886	25,886	25,886	25,886	25,886	25,886	25,886	25,886	25,886
2009	5,037	19,711	27,455	38,300	41,151	41,151	41,151	41,151	41,151	41,151	41,151	41,151	41,151
2010	14,155	34,923	39,484	45,556	46,212	46,212	46,212	46,212	46,212	46,212	46,212	46,212	46,212
2011	12,661	18,788	23,765	46,900	47,167	47,167	47,167	47,167	47,167	47,167	47,167	47,167	47,167
2012	30,116	54,532	59,212	59,876	59,876	59,876	59,876	59,876	59,876	59,876	59,876	59,876	59,876
2013	29,124	56,145	58,476	58,476	58,476	65,465	65,465	65,465	65,465	65,465	65,465	65,465	65,465
2014	23,424	39,684	39,888	39,888	40,256	40,256	40,256	40,256	41,750	41,750	41,750	41,750	41,750
2015	21,674	38,784	42,952	43,693	43,693	43,693	45,155	46,786	46,786	46,786	46,786	46,786	46,786
2016	33,990	55,661	58,126	66,200	66,200	68,215	70,395	72,828	72,828	72,828	72,828	72,828	72,828
2017	24,404	35,793	64,236	64,236	65,918	67,795	69,827	72,095	72,095	72,095	72,095	72,095	72,095
2018	22,712	50,815	50,815	60,603	62,210	64,005	65,947	68,113	68,113	68,113	68,113	68,113	68,113
2019	50,426	102,388	120,776	143,736	147,505	151,715	156,269	161,351	161,351	161,351	161,351	161,351	161,351
2020	2,726	13,452	15,791	18,711	19,191	19,726	20,305	20,952	20,952	20,952	20,952	20,952	20,952



Cornerstone
The future. Assured



Combined Fire & Burglary

Avoid stories that touch
Secure your assets TODAY!

Get the Cornerstone
Insurance Mobile App
on your Smartphone



NAICOM/CC/ADV/2021/4331

Call us

01 280 6500 | 0700CORNERSTONE

CORPORATE OFFICE

21, Water Corporation Drive,
Off Ligali Ayorinde Street,
Victoria Island, Lagos

enquiries@cornerstone.com.ng
www.cornerstone.com.ng



Cornerstone
The future. Assured



OTHER
NATIONAL
DISCLOSURES

VALUE ADDED STATEMENT - GROUP

for the year ended 31 December 2020

Group	2020		2019	
	₦ '000	%	₦ '000	%
Gross premium	15,718,711		13,296,136	
Other income	6,706,299		4,405,636	
	<u>22,425,010</u>		<u>17,701,772</u>	
Bought-in materials and services				
- Local	(18,081,090)		(10,951,333)	
Value added	<u>4,343,919</u>	<u>100</u>	<u>6,750,439</u>	<u>100</u>
Distribution				
Employees				
- Salaries	1,868,699	43	1,797,399	27
Government				
- Taxation	(427,764)	(10)	(95,181)	(1)
Retained in the Business				
- Depreciation and amortisation	236,217	5	183,818	3
- Contingency reserve	471,911	11	755,480	11
- Profit for the year	2,194,856	51	4,108,923	61
Value (eroded)/added	<u>4,343,919</u>	<u>100</u>	<u>6,750,439</u>	<u>100</u>

This statement represents the distribution of the wealth or losses created with the Group's assets.

VALUE ADDED STATEMENT - COMPANY

for the year ended 31 December 2020

Company	2020		2019	
	₹ '000	%	₹ '000	%
Gross premium	14,210,849		12,105,513	
Other income	4,350,616		2,614,838	
	18,561,465		14,720,351	
Bought-in materials and services				
- Local	(15,154,699)		(9,910,089)	
Value added	3,406,766	100	4,810,262	100
Distribution				
Employees				
- Salaries	1,465,209	43	1,500,717	31
Government				
- Taxation	25,256	1	3,378	0
Retained in the Business				
- Depreciation and amortisation	(184,586)	(5)	(144,444)	(3)
- Contingency reserve	362,715	11	513,386	11
- Profit for the year	1,738,171	51	2,937,224	61
Value added	3,406,766	100	4,810,262	100

This statement represents the distribution of the wealth or losses created with the Company's assets.

FINANCIAL SUMMARY - GROUP

for the year ended 31 December 2020

Financial Summary-Group

<i>In thousands of naira</i>	2020	2019	2018	2017	2016
Assets					
Cash and cash equivalents	11,662,703	12,649,384	4,227,075	3,610,235	3,093,080
Financial assets	18,402,727	12,661,308	10,846,497	10,630,895	9,648,024
Trade receivables	154,580	60,183	136,021	871	73,731
Other receivables and prepayments	612,224	405,460	372,923	315,459	228,293
Reinsurance assets	7,719,422	4,732,524	3,236,164	2,825,193	2,492,227
Deferred acquisition cost	567,596	257,866	278,428	256,033	258,101
Investment in joint venture	271,295	554,305	6,056,550	2,629,132	1,894,885
Deferred tax assets	838,000	338,923	338,923	429,560	-
Investment properties	602,000	560,000	532,000	503,000	494,000
Property and equipment	1,780,019	1,904,212	1,838,849	2,017,994	2,150,801
Intangible assets	17,648	29,364	48,816	70,885	86,069
Statutory deposits	1,200,000	1,000,000	800,000	800,000	800,000
Assets classified as held-for-sale	-	-	-	-	132,031
Total assets	43,828,214	35,153,529	28,712,246	24,089,257	21,351,242
Liabilities					
Investment contract liabilities	3,674,861	3,406,701	3,416,364	3,080,856	2,353,766
Insurance contract liabilities	18,746,225	11,730,130	10,828,821	10,653,498	6,941,872
Trade payables	1,619,695	3,591,779	2,389,312	1,237,929	456,521
Other payables and accruals	842,765	801,176	744,983	968,216	807,455
Deferred commission income	770,626	265,073	167,049	128,137	-
Current tax liabilities	445,799	476,717	541,971	491,267	414,398
Deferred tax liabilities	-	-	208,382	196,951	125,413
Employees benefit obligations	3,793	3,577	3,306	1,269	8,102
Liabilities directly associated with assets classified as held-for-sale	-	-	-	-	5,497
Total liabilities	26,103,764	20,275,153	18,300,188	16,758,123	11,113,024
Net assets	17,724,450	14,878,376	10,412,058	7,331,134	10,238,218
Equity					
Ordinary share capital	9,083,196	7,364,754	7,364,754	7,364,754	7,364,754
Share premium	183,165	1,947,166	1,947,166	1,947,166	1,947,166
Treasury shares	(58,440)	(48,175)	(48,175)	(48,175)	(48,175)
(Accumulated losses)/Retained earnings	3,101,415	1,392,250	(1,921,005)	(4,098,061)	(519,062)
Contingency reserve	4,017,271	3,545,360	2,789,880	1,998,660	1,759,421
AFS fair value reserve	1,132,194	426,306	75,220	13,727	(437,367)
Non-controlling interest	265,650	250,715	204,218	153,063	171,481
Shareholders' funds	17,724,450	14,878,376	10,412,058	7,331,134	10,238,218
Total liabilities and equity	43,828,214	35,153,529	28,712,246	24,089,257	21,351,242
Gross premium written	17,539,219	13,058,899	11,570,192	9,201,025	9,190,634
Gross premium income	15,718,711	13,296,136	11,353,294	9,180,270	8,260,722
Profit/(Loss) before tax	1,767,092	4,013,742	3,284,554	(3,426,517)	(1,264,660)
Tax expense	427,764	95,181	(82,102)	64,437	(470,563)
Profit/(Loss) for the year	2,194,856	4,108,923	3,202,452	(1,735,223)	(1,735,223)

FINANCIAL SUMMARY - COMPANY

for the year ended 31 December 2020

Financial Summary-Company

<i>In thousands of naira</i>	2020	2019	2018	2017	2016
Assets					
Cash and cash equivalents	8,175,263	8,193,360	3,424,044	2,638,566	2,557,153
Financial assets	14,065,366	11,169,338	9,295,574	8,913,998	7,370,258
Trade receivables	108,675	58,100	134,452	396	73,224
Other receivables and prepayments	789,101	434,060	340,464	463,183	391,309
Reinsurance assets	7,197,096	4,352,839	2,930,544	2,548,666	2,224,827
Deferred acquisition cost	466,196	219,592	237,635	208,222	206,629
Investment in joint venture	137,738	293,116	3,310,166	1,380,359	1,188,609
Deferred tax assets	838,000	338,923	338,923	417,937	18,790
Investment in subsidiaries	3,620,847	2,954,748	2,954,748	2,954,748	2,954,748
Property and equipment	570,093	639,309	578,660	712,845	806,081
Intangible assets	13,500	29,364	46,384	65,632	76,620
Statutory deposits	500,000	700,000	500,000	500,000	500,000
Total assets	36,481,875	29,382,749	24,091,594	20,804,552	18,368,248
Liabilities					
Investment contract liabilities	3,226,593	3,406,701	3,416,364	3,080,856	2,353,766
Insurance contract liabilities	17,203,861	10,703,380	9,848,591	9,435,616	6,307,846
Trade payables	1,403,882	3,481,119	2,307,108	1,047,059	452,649
Other payables and accruals	676,315	642,407	559,543	618,222	634,631
Deferred commission income	704,472	231,961	142,617	113,745	-
Current tax liabilities	276,964	318,953	323,998	311,784	302,091
Employees benefit obligations	1,769	1,553	1,282	1,269	7,750
Total liabilities	23,493,856	18,786,074	16,599,503	14,608,551	10,058,733
Net assets	12,988,019	10,596,675	7,492,091	6,196,001	8,309,515
Equity					
Share capital and reserves:					
Ordinary share capital	9,083,196	7,364,754	7,364,754	7,364,754	7,364,754
Share premium	183,165	1,947,166	1,947,166	1,947,166	1,947,166
Treasury shares	(58,440)	(48,175)	(48,175)	(48,175)	(48,175)
Retained earnings/(Accumulated losses)	(431,800)	(1,844,004)	(4,267,842)	(5,063,274)	(2,412,085)
Contingency reserve	3,305,027	2,942,312	2,428,926	1,935,620	1,735,400
AFS Fair value reserve	906,871	234,622	67,262	59,910	(277,545)
Shareholders' funds	12,988,019	10,596,675	7,492,091	6,196,001	8,309,515
Total liabilities and equity	36,481,875	29,382,749	24,091,594	20,804,552	18,368,248
Gross premium written	15,787,124	11,820,052	10,493,063	7,900,401	8,398,950
Gross premium income	14,210,849	12,105,513	10,288,371	7,906,464	7,573,114
Profit/(Loss) before tax	1,277,126	3,034,730	1,480,407	(2,801,173)	(1,516,213)
Tax (expense)/ credit	461,045	(97,506)	(82,102)	246,788	(373,574)
Profit/(Loss) for the year	1,738,171	2,937,224	1,288,738	(2,554,385)	(1,889,787)

MISSION

**Delivering value
beyond expectations**

VISION

**To be the leading insurance-based
Financial Services group that
transforms the industry**

CORE VALUES

INTEGRITY

Accountable. Responsible. Ethical

EMPATHY

Thoughtful. Understanding. Involved

PROFESSIONALISM

Competent. Consistent. Focused

INNOVATION

Proactive. Creative. Contemporary

TEAM SPIRIT

United. Connected. Committed

MANAGEMENT LIST

S/N	CURRENT GRADE	DESIGNATION	EMPLOYEE NAME
1	GMD	GROUP MANAGING DIRECTOR/CEO	GANIYU MUSA
2	ED	EXECUTIVE DIRECTOR, TECHNICAL & OPERATIONS	TOKUNBO BELLO ADEREMI
3	ED	EXECUTIVE DIRECTOR, BUSINESS DEVELOPMENT	CHIDIEBERE NWOKEOCHA
4	DGM	HEAD, INSTITUTIONAL BUSINESS DIVISION	CHARLES NWACHUKWU
5	DGM	CHIEF TECHNOLOGY OFFICER	DAN-OLUFEMI OLAYINKA
6	DGM	GROUP HEAD, TECHNICAL	OLUWAFUNMILAYO AMANWA JOY
7	AGM	CHIEF FINANCIAL OFFICER	KEHINDE OLORUNDARE
8	AGM	GROUP HEAD, CORPORATE SERVICES	OMODAYO ODUNTAN
9	AGM	HEAD, SPECIAL RISK	OLUDARE OLUDE
10	AGM	HEAD, STRATEGY, ENTERPRISE RISK MANAGEMENT, & INVESTOR RELATIONS	ADEWALE FOSTER-AILERU
11	PMGR	HEAD, PRODUCT DEVELOPMENT & CHANNEL INNOVATION	JONATHAN LAWUYI
12	SENIOR MANAGER	HEAD, FINANCE & PERFORMANCE MANAGEMENT	PASCHAL NWACHUKWU
13	SENIOR MANAGER	HEAD, TREASURY	EMEKA OGUMKA
14	SENIOR MANAGER	HEAD, MARKETING & CORPORATE COMMUNICATIONS GROUP	CORDELIA EKEOCHA
15	SENIOR MANAGER	HEAD, CUSTOMER EXPERIENCE GROUP	MOJOLAOLUWA AJIBADE
16	SENIOR MANAGER	HEAD, GENERAL UNDERWRITING	OLALEKAN MOSHOOD
17	SENIOR MANAGER	ABUJA REGION 1	OLUKOJU, YEMI
18	SENIOR MANAGER	LAGOS REGION 1	ADEKOYA, KOLAWOLE
19	SENIOR MANAGER	HEAD, ACTUARIAL SERVICES	MOKUNFOPE AKANGBE

RETURNED CORNERSTONE CERTIFICATES

S/N	NAMES	S/N	NAMES	S/N	NAMES
1	ABDUL KAREEM ABDUL WASIU	57	BAMIDELE HAMBOLU	115	IDOWU FAOSAT OLAYINKA
2	ABDULLAHI WAHEED WILLIAMS	58	BAMIGBOJE PHEBEAN ADEBUKUNOLA	116	IDOWU SAMUEL FOLORUNSHO
3	ABDULRAHAMAN ABDULHAMID	59	BAMIGBOJE V. ZACHEUS OYEWOLE	117	IFATUJOSIN S. BABATOPE
4	ABDULSALAM OGUEYI TIJANI	60	BANJOKO OLADELE	118	IFEBUEME JULIET OGECHUKWU
5	ABEGUNDE OLUWASEPE	61	BELLO SIKIRU ADETINKA	119	IFEKWE IFEOMA MERCY
6	AKINTUNDE OLUKUNLE TAIWO	62	BENSON OLAYEMI	120	IGBEN LESLIE DONOR*
7	AKINYEDE LAMBERT OLUWAFEMI	63	COUNTERS TRUST SECURITIES LTD	121	IGBINOVIA NEWTON NOSA
8	AKINYEMI FUNMILAYO CAROLINE	64	DADA MOTUNDE	122	IKEAKANAM RAPHAEL
9	AKORGA BENEDICT SAAVE	65	DAHUNSI ARINOLA OLUWAYOMI	123	IKEANEKE OBIAGELI
10	AKPAH BARTHOLOMEW CHIZOBA	66	DAMOLA ADENIRAN	124	IKWEONYE A. IFEANYICHUKWU
11	AKPAN S.E.	67	DARE ADESOLA ADEBAYO	125	ILAVBARHE MUSAH ORIVBABEHI
12	AKPATA UYIOSA N.	68	DIKE FRANKLIN IFEDINACHUKWU	126	ILELEJI ERNEST
13	AKUMA OBIAGERI EUNICE	69	DIMKA ISAAC YILJI ZAKARI	127	IYORE EMMANUEL O.
14	AKURA JULIET MWUESE	70	DOKUN AFOLABI	128	IZU LIVINGSTONE CLITON
15	AKWAZIE V. M.A	71	DURU CHIKA ANN	129	JACOB BABATUNDE BOLAJI
16	ALABI ADETOYE LAYIDE	72	EBENUWAH ANTHONY N.	130	JAGUN OMOFEHINTOLA
17	ALABI EBENEZER LAGOKE	73	EDOZIE JOHN U.	131	JAIYEOLA MOSES
18	ALATECH COMPANY	74	EDUZOR OGUGUA	132	JAIYESIMI OLUFEMI
19	ALEONEWESE JOHN OKHUMODE	75	EGIE EDAFE EMMANUEL	133	JALO Y OLGA
20	ALI SURAJUDEEN AYANJIDE	76	EGUBE EJIROGHENE THEODORE	134	JAWO JOHNSON OLAKUNLE
21	ALIU ABDULAZEEZ	77	EGWOBA CHRISTOPHER UZODINMA	135	JEROME JIMOH
22	AMADI FRANCIS ANAYOCHUKWU	78	EKEBOR SILAS C.	136	JIBARTO NIG. LTD
23	AMINU USMAN	79	EKEJIUBA UCHENNA EKEJIUBA S.	137	JINADU FATAI ABOLORE
24	AMINULAHJI JIBRI G.	80	EKERIN GANIYU ADEBISI	138	JIYA ATTAI JIBIRIN
25	AMOBİ JOSEPH CHINEDU	81	EKHATOR AYGSTINE OSAMUDIMEN	139	JOHN ADEWUMI O. OPADOKUN
26	AMOLE BISI LAWRENCE	82	EKONG ANDIKAN CHARLES	140	JOHNSON EDWARD
27	AMOLEGBE MUSBAN ADENLE O. (COL)	83	EKONG IBIYE ASME	141	KENEDY AGBAEZE
28	ANIEBONAM UCHENNA CLEMENT AUGUSTINE	84	EKONG UDEME MICHAEL	142	KENKU KEHINDE OMOLABI
29	ANUMBA BENENETT IZUKA	85	EKWEMALOR N. STELLA	143	KENKU TAIWO AFOLABI
30	ANYACHOR UCHE SYLVIA	86	ENEMANNA CHUKWUEMEKA .C.	144	KENNETH NWADIKE
31	ANYANWU VICTOR CHIAGOZIE	87	ENIKUOMEHIN CHRISTIAN OMOTEREM	145	KERERE-EKUN SAIHEED RAHUF
32	ANYIM AGBAI JAMES	88	ENOEFE DAFE ESERO	146	KOLAPO ARINLADE ARIKE
33	AREGBESOLA MOTUNRAYO A.	89	ERONMOMMOSELE VINCENT	147	KOLARINWA REMI
34	ARUNA SURAJ TEMITOPE	90	ESEHA AUGUSTINE ENEJETA	148	KOLE FUNSHO
35	ASARE-BEDIAKON MIKE	91	ESEHA OMAMIRO OLUWASEYI	149	KOSOKO ZUBAIR ABIODUN
36	ATEKOJA ADEFISAYO	92	ESO ADEBAYO JOSEPH	150	KREUGER BRENT LTD.
37	AUDU AISHA GOD'S GIFT	93	ESSIEN FRIDAY ENANG	151	KUTENHA DARLINGTON
38	AUDU SALIU TIJANY	94	ETTA CLAUDIA IGUO	152	LADABOT NOMINEES LTD.
39	AWOKOYA OLUSEGUN OLAWALE	95	EWEJE JOHN AJIBOLA	153	LASHORE OLADIPUPO EBUN
40	AWOLU FRANZ SEGUN	96	EWETO J. ONOBEREVU	154	LASHORE OLAYEMI OLANIYI
41	AWOSANYA OLUSEGUN OLASUPO	97	EYONG FRANCIS	155	LASHORE LOLADE OLABISI
42	AYIDU DONATUS	98	EZEALA GEORGE	156	LAWAL ADETUNJI LUQMAN
43	AYOADE C. IDOWU ADEBUSOYI	99	EZEH ANI JOHN	157	LAWAL IFEOLUWANI AYOMIDE
44	AYODELE WASIU OLALEKAN	100	FADARE CHIOMA PRECIOUS	158	LAWAL O. AYOBAMIDELE
45	AYORINDE DELE	101	FALUSI CALEB OJO	159	LAWRENCE SAMUEL TEMIDAYO
46	AZEEZ FIMISOLA A.	102	FAMAKINWA ADEDOYIN	160	LONGE PETER OHIAKHUEMI
47	AZUBUIKE FELIX ONYEDIKACHI	103	GANIYU IYABO	161	LUCKY MADEK LTD.
48	BABALOLA OLANREWAJU	104	GBEYIDE OLUWOLE EMMANUEL	162	M/S FOLLY & SONES AUTO ENG.
49	BABATUNDE ADEKUNLE M.	105	GEORGE SELEPIRI IWURU	163	MADUFOR JOSEPH SUNDAY
50	BABATUNDE IBIRONKE	106	GOJE BLESSED SANI	164	MADUMERE ONYINYE IJEOMA N.
51	BADARU EZE KEHINDE	107	GOLD AMBROSE PHILIP	165	MAJEKODUNMI FEYISOPE ADETUTU
52	BADMUS TEMITOPE MUINAT	108	GREEN LOUIS OLAKUNLE	166	MANUWA KUEWUMI
53	BAKARE ADEBISI OLUWAYEMISI	109	HABEEBAT AINOGBO	167	MARVEL TRADES & SERVICES
54	BAKARE WASIU ADIO	110	HARIGOLD VENURES LTD	168	MBACHU SOLOMON ONWUAMAEZE
55	BAKO PATIENCE	111	HARRY AYIBO	169	MBAMBA IJOMA SUNDAY & ANR
56	BALOGUUN MOSHOOD ISHOLA	112	HARUNA ABUBAKAR	170	MBERU CEPHAS
		113	HUSSAINI HAMIDU	171	MBONU THERESA NKECHI
		114	IBINE OLAYIWOLA JETHRO	172	MEMUD MUIBAT MEMUD

RETURNED CORNERSTONE CERTIFICATES

173	METROPOLITAN MOTORS LIMITED.	231	OGUNDE VERONICA MODUPE	288	SAPORU MICHAEL OBALOLA
174	MGBAHURIKE SYLVESTER AHAMEFULE	232	OGUNDIPE DAVID	289	SEVENTH JANUARY INVESTMENTS LTD
175	MILTON OGBONNAYA NWOSU	233	OGUNDIRAN EZEKIEL	290	SHAJI BOSEDE OLAJUMOKE
176	MINTY BELTHA OMARI	234	OGUNFERE OWEN	291	SHANU TOLUWALASE ADESINA
177	MINTY ZARA ISIUWA	235	OGUNFOWODU OLAJUWON	292	SHOTAYO SHODIPO
178	MOHAMMED IDRIS		OMOPARIOLA	293	SHOTOMIWA MULIKATU BOLANLE
179	MOSES GIDEON AKINTOMIWA	236	OGUNLEYE BOLAJI	294	SHUAIBU ABDULMUMINI
180	MRS FOLLY & SONES AUTO ENGINEERING.	237	OGUNNAIKE OLAJIDE ADEKUNLE	295	SIJUWADE TITLOLA
181	MUHAMMAD ANWALU ABDU	238	OGUNYEMI OLUFEMI SEBASTINE	296	SIJUWADE TITLOLA OLABIMPE
182	MURIANA KHALIL OPEYEMI	239	OGUNYEMI WINIFRED KUNBI	297	SMITH MOSUNMOLA FAUSAT
183	MUSA SARAH	240	OHIOMAH EMMANUEL AHONKHAI	298	SODANGI ABUBAKAR DANSO
184	MUSTAPHA IDOWU YAHAYA	241	OJELEKE OLABAYO A.R.	299	SODEINDE OLUTAYO OLUTOLA
185	NAZEGBULAM CHRISTOPHER OLUMIDE	242	OJO EZEKIEL OLUWASEYI	300	SONGONUGA BABATUNDE
186	NKIRI FLORENCE NKONYE	243	OJO ISAAC OLADEJO	301	SONGONUGA BABATUNDE SOROMOLA
187	NLEMDIM UCHENNA OGADINMA	244	OJO JAMES AKINLOLU	302	SOWUNMI MARGARET ABOSEDE
188	NOAH MOHAMMED	245	OJUMoola OLUSEGUN AKANBI	303	SPINKS INTERNATIONAL LTD.
189	NURUDEEN AKINOLA DAUDA	246	OKANRENDE OLADOTUN OLAWALE	304	SUBAIR LATEEF AYODELE
190	NWABEZE ADAKU AKUDO	247	OKEKE ANTHONY	305	SULAIMAN AKEEM ADEYINKA
191	NWANI OSITA EZEKIEL	248	OKWARA KENNEDY STAN	306	SUMMA GUARANITY & TRUST COY LTD
192	NWANKWO OGBONNA CHRISTIAN	249	OLABANJI MICHAEL	307	TAIGA EMUMEJAYE O. PETERSON
193	NWANZE JEFF CHIKEZIE JUDE	250	OLABISI JOHN KOLA	308	TAIWO OKUNGOWA
194	NWATU MICHAEL NWAFOR	251	OLABOPO HOLDINGS LTD	309	TALABI JEJELOLA ENITAN
195	NWEKE NKIRUKA JUDITH	252	OLABOSIPO OLUSEGUN MOSES	310	THOMPSON O. FAPOHUNDA
196	NWOSU IFEANYI EUGENE	253	OLADAPO AJIBOLA YEMISI	311	TIDDO UNIVERSAL SEC. FIN. TRS-STO
197	NZEKWE BLESSING CHISA	254	OLADIPO OLANREWaju	312	TITILOLA BAYO SIKIRU
198	OBAFEMI OLUWASEYI ADETUNJI	255	OLADOYIN KEMI ADUNNI	313	TITIOYE FOLSADE ESTHER
199	OBAJIMI J. OLUWAROTIMI	256	OLAITAN MICHAEL OLUFEMI	314	TOKOYA BABATUNDE OLUWATELE
200	OBAMI SOT OWUNDA	257	OLAIYA ISAAC ADEBISI	315	TOMORI ADIJAT OLAIDE
201	OBASEKI EDWARD OSAZEE	258	OLAJIDE OLANREWaju TAJUDEEN	316	TOMORI OLABODE FELIX
202	OBI AYOBAMCHUKWU A.	259	OLAJIDE TAJU OLANREWaju	317	UBBOE SYLVANUS NWABUEZE
203	OBI NWACHUKWU	260	OLANIYAN BOLA MISS	318	UBOH OH NNSEWO MISS
204	OBIANODO C. CHUKWUAGOZIE	261	OLANIYAN GBOLADE CHARLES	319	UDEGBUNEM ENDALINE NKIRUKA
205	OBIENE THEOPHILUS DIENEYE	262	OLANREWaju AMBALI ALLI	320	UDO EDIDIIONG HAZEL
206	OBIKE JOHNNY O.	263	OMO FARMS NIGERIA LIMITED	321	UDO IQUO OKON
207	OBIOHA RALPH A.	264	OMODENI ADEGBOYE GA PHILIP	322	UDOH OLUTAYO
208	OBOMANU ISRAEL ABEREYANA		OLADAPO	323	UDOUSORO WILLIAMS SMART
209	ODEBIYI NURUDEEN BOLAJI	265	OYENUGA VICTOR OLUSEGUN	324	UDUEHI ODION
210	ODEKUNLE TAIWO OLUDELE	266	OYERINU ADEBAYO OLUGBENGA	325	UDUOK PETER PETER
211	ODELE OLAKUNLE	267	OYESHOMO PHILLIP OLATUNDE MR.	326	UGOJI NNADINMA MARTINS
212	ODERINDE OLUFEMI SUNDAY	268	OYEWOLE MARIAM ASHABI	327	UKAH OGAGA-OGHENE EMMANUEL
213	ODII FRED'S CHUKWUEMEKA	269	PASEDA ADEDAYO OLUSESAN	328	UKAUWA INNOCENT OGBONNA
214	ODIKAGBUE THOMAS	270	PCL CAPITAL	329	ULOKO MAXWEL
215	ODOMA IBRAHIM ISA	271	PETER EKWUEME	330	UMEJI CHRISTIAN OKECHUKWU
216	ODUFESI KEHINDE	272	PITAN OLADELE OLORUNFUNMI	331	UMENWA UGOCHUKWU
217	ODUGBESI ADEBAYO OLUSEGUN	273	POPOOLA WAHAB FUNSO	332	UNOGU LYNDA KELECHI
218	ODUNLAMI JOSEPH OLUYEMI	274	PRINCE ITOBOR	333	USMAN UMAR BISHARA
219	ODUNTAN OLAJIDE	275	RAIN OIL LTD	334	UZAMERE PETER O.
220	OFOGBA PATRICIA LAIRE	276	RANDLE KINGSLEY	335	WALE-AJAYI Omayuli (MRS)
221	OGBARA AKEEM MUSTAPHA	277	RED OAK TRUST & INVEST.	336	WARIKORU JAKE RURONAKIGHA
222	OGBE OJONIMI JOHN	278	ROBERTS NGOZI EUCHARIA	337	YUNUSS ISMAIL
223	OGBISE MIEBIDOU DAVID	279	ROBERTS ROSEVITA NENE	338	ZIMEST INVEST & MGT. CO.
224	OGBOYE SOLA COMFORT	280	RUFUS BABATUNDE OLUShOLA		
225	OGELE TONY ICHEBADU	281	SALAUDEEN DIMEJI ISMAIL		
226	OGEYE BABATUNDE O.	282	SALIHU ABRAHAM		
227	OGINNI BAKARE ADIO	283	SALISU TAOFIK TOYIN		
228	OGUNAIKE OLAJIDE	284	SAMPSON ABAYOMI ODUYOYE		
229	OGUNBAMIYO SOLAPE BOLAJI	285	SAMUEL OLU SEHINOLA		
230	OGUNBIYI BABATUNDE JUBRIL A.	286	SANNI KAYODE		
		287	SANYA GANIU ADEWALE		

UNCLAIMED CORNERSTONE DIVIDEND LIST

S/N	NAMES		
1	ABANA OSITA CHUKWUMA	58	AKANDE ADEYEMI ADEBAYO
2	ABANIWONDA MUYIDEEN ADESEGUN	59	AKANDE AKINOLA OJO
3	ABDUL GANIYU MUIDEEN ATILOLA	60	AKANNI JULIANAH ABIKE
4	ABDULKARIM SIKIRATU	61	AKINBIYI KEHINDE OLUFUNMILAYO
5	ABU OLANREWAJU	62	AKINBO HAJARAT OMOTAYO
6	ABUBAKAR BARIKISU	63	AKINNIYI OJO
7	ABUE PAULINE NKOGO	64	AKINOLA SAMUEL TAIWO
8	ABUKAR SHEHU	65	AKINTOKUN AMOS BAMIDELE
9	ACHEMU GABRIEL C	66	AKINTOLA ORIADE MUZY
10	ADANGSON BARRY	67	AKINYEMI SOLOMON ADEDOLA
11	ADARANIJO OYEYEMI OLUFISAYO	68	AKINYOSOYE FRANKLYN
12	ADEBANWO FATAI ADEBOLA	69	AKPABIODE SHOLE DAVID
13	ADEBAYO ADEBOWALE MOHAMMED	70	AKPAH BARTHOLOMEW CHIZOBA
14	ADEBAYO ADELEKE ROCKSON	71	ALAWAIYE W. KUNLE
15	ADEBAYO WAIDI ADEBAYO	72	ALEONEWESE JOHN OKHUMODE
16	ADEBISI JAMES OLUWAFEMI	73	ALI BASILIA OLURANTI
17	ADEBISI SAMUEL ADEOLA	74	ALLISON IBITOLA FOLASHADE
18	ADEBIYI ADESOLA TOBI	75	AMINOMA EBENEZER ORITSETEMIYIN
19	ADEBIYI COMFORT ODUNOLA	76	AMU ANDREW OHIEREIMEN
20	ADEBOYE ADEBAYO AKINWALE	77	AMUWA ADEYEMI MICHAEL
21	ADEDAYO OLUKAYODE FRANK	78	ANOZIE FLORENCE OGONNA
22	ADEDEJI ISAAC KOLADE	79	ANTHONY MUHYIDIN OLAWALE
23	ADEDIRAN ALANI GANIYU	80	ANUGENGEN SAMUEL
24	ADEFIDIPE JULIUS ADELOYE	81	ANUSHIEM MADONNA CHINASA
25	ADEFIRANYE ABIOLA OLUKAYODE	82	ANYANWU THEODORE NNAJI
26	ADELEYE HALIRAT OLADOYIN T.	83	ARIBISALA MARGARET OLUSOLA
27	ADELEYE PAULINE SUBUOLA	84	AROKO EGBE SAMUEL
28	ADENKAN MOTUNRAYO FUNMILOLA	85	ASAGWARA E. CHRISTOPHER
29	ADENIRAN ABDULLAH	86	ASAKOME ANI OMOSHALOWA
30	ADENIYI FUNKE ABIGAIL	87	ASARE-BEDIAKON MIKE
31	ADENUGA ISLAMIYAT TEMITOPE	88	ASHOGBON FESTUS OLABODE
32	ADERETI OSUADE ABRAHAM	89	AUDU-DAMODU EBIAKAY
33	ADERIBIGBE ABDULKAREEM A.	90	AUDU-DAMODU IMOTSEMHE
34	ADESANYA ABAYOMI ADEOLA	91	AWUSE KESENYA B.
35	ADESANYA YAHABA BABATUNDE	92	AYOOLA ODUNAYO ABIOLA PETER
36	ADESEWO ADESEGUN PIUS	93	AYORINDE CAROLINE ABOSEDE
37	ADESI SILAS	94	AYRVBUDMWAN O. FRANCIS
38	ADESOGAN BABATUNDE	95	AZEEZ FIMISOLA A.
39	ADESOLA ORIMALADE	96	AZGBA COSMOS OKECHUKWU
40	ADETAYO JOHNSON OLU	97	AZUBUIKE CHIBUZOR C.
41	ADEWALE ABIOLA OLAIDE	98	BABALOLA VICTORIA OLUYEMISI
42	ADEWALE ADDETUNJI	99	BABATUNDE ADEKUNLE
43	ADEWARA OLUKAYODE EMMANUEL	100	BADEJO ADENIYI OLUKAYODE
44	ADEWOYE NIYI EZEKIEL	101	BISIRYU MUTIU OLUWASEYI
45	ADEWUNMI OLAOLE ADEDOYIN	102	BONIFACE A. DURU
46	ADEYONU ADETOMIWA EMMANUEL	103	CHUKWUNETA ELIAS CHISAROKWU
47	ADODO ANDREW	104	CORNERSTONE C/O OLUKAYODE ARIYO
48	AGBODO IROROGHENE ERICK	105	CYRIL ORIDANI
49	AGBOKHAUHO BLESSING OSHONAGBO	106	DADA ISHOLA ADELOYE
50	AGBONLAHOR ANDREW OMORUYI	107	DAKPOKPO EMMANUEL ALASA
51	AGBOR MARY JOE	108	DARIYA JEREMIAH VICTOR
52	AGEMA SUUR EDWARD	109	DAWODU KAYINSOLAMI VICTORIA
53	AHAMBA EMMANUEL NKEIRUKA	110	DAWODU OLUWADAMILARE VICTOR
54	AHAMISI TITILAYO	111	DIMGBA EMMANUEL & CATHERINE
55	AHMED ADEKUNLE GARBA	112	DIMOWO PEMTOB
56	AJAYI OLUWAYOMI JOSHUA	113	DOGO DAUDA
57	AJUMOBI AFEZ	114	DOGONYARO DANLAMI
		115	DOSUNMU OLUWOLE ROGER
		116	DOSUNMU SIDIQUAT FOLASHADE
		117	DRIVE CABENGO LIMITED
		118	DUGBELE DESINY OGOCHUKWU
		119	DUROWOJU ADEWUNMI MAHDINAT
		120	DUSUNMU MUDASHIR ADEKUNLE
		121	DYITUKA EIRENE PWANMWAKAT
		122	EBIWANNO MOBOLAJI JOHNSON OMOTAYO
		123	EBIWANNO OLUWAYEMISI OLUKEMI
		124	EBOMWONYI PATRICK OSAZEE
		125	ECHEGWO STANLEY UCHE
		126	ECHEGWO TOCHUKWU
		127	EDO EDWIN JUDE
		128	EDOGAME ALFRED OSHOAKPEME
		129	EDOGAME ESTHER IKPEMOSI
		130	EDOZIE JOHN U.
		131	EFUGHI VICTOR CHUKWULENYE
		132	EGEREGA EFE STEPHEN
		133	EGIE EDAFE EMMANUEL
		134	EHY CHRISTOPHER OSEGHAE
		135	EJESIE OGONNA NAOMI
		136	ELENWO FELIX
		137	ELIJAH EZEWE
		138	EMOJORHO EMUDIAGA FRANCIS
		139	ENEBUYA ANDERSON IGORU
		140	ENEJE NWANNEKA EMMANUELLA
		141	ENWONWU CHUKA FITZGERALD
		142	EREKOSIMA ALAYE
		143	ERIJOTOR RUKEME DAVID
		144	ERINOSHO OLUYEMI BABATUNDE
		145	ERONMOMOSELE VINCENT
		146	ERUOTOR RUKEME DAVID
		147	ESEDEBE AUGUSTINE BUNOR
		148	EZEIFE CHUKS UCHE
		149	EZEJIOFOR NATHAN C.
		150	EZENWA MOUREEN IFEOMA
		151	FADIRAN OLUKAYODE
		152	FAJEMBOLA AJANI
		153	FALOMO ABIOLA ISAHIAH
		154	FAMAKIN TOLUWANIMI EMIOLA
		155	FANIYI OLUFUNMILAYO ADUKE
		156	FARINU MORENIKE VICTORIA
		157	FASHINA OLUKEMI
		158	FATILEWA PAULINA OLASUNBO
		159	FATUKASI OLAJIDE OYINDAMOLA
		160	FOLARIN MORAYO KOFOWOROLA
		161	FOLORUNSO JANET TAIWO
		162	FOLORUNSO KAYODE
		163	FRANK AKPAN
		164	GANIYU ISMAIL AKANJI
		165	GBADAMOSI OLUWAKEMI
		166	GBRIKA DIVINE EFETOBOR
		167	GREEN LOUIS OLUKAYODE
		168	GYANG CHRISTOPHER JOHN
		169	IDEMUDIA UYI -OGHOSA
		170	IDOWU OLUWADAMILOLA MORAYO
		171	IFATUJOSIN S. BABATOPE
		172	IFEZULIKE ADAEZE

UNCLAIMED CORNERSTONE DIVIDEND LIST

173 IGBEDI CLARIS TAREDE
174 IJARAH ERNEST
175 IJEH IWEANYA HENRY
176 IKHELOA JOSEPHINE O.
177 IMOUDUME SUNDAY
178 IRONDI IHEANYI OGBONNA
179 ISIBOR-PHILIP ESTHER
180 ISIMA JEFFREY
181 ISKHEI EMEKA
182 IVIENAGBOR RACHEAL
183 IYORAH ELIZABETH MORENIKEJI
184 JAKPA TEJUMADE
185 JIMOH OLUSHOLA LOOKMAN
186 KEHINDE OLATUNDE
187 KUBOYE OLUFELA
188 KUDLA FRANK SATUMARI
189 LADIPO KOLAWOLE
190 LAGOKE OLUWAGBOLAHAN
191 LAWAL KEHINDE
192 NWABUEZE JUDE NZE
193 NWANKWUDO PERPETUA UJU
194 NWOKORO NGOZI AMAKA
195 OARHE IZEBE CHRISTOPHER
196 OBEBE ADEKUNLE TOLULOPE
197 OBI JULIET NKIRUKA
198 OBICHUKWU MADUKA JOSHUA
199 OGHOBASE DEBORAH
200 OGUNYALE IBUKUN MICHAEL
201 OHA CHIBUEZE
202 OJI CHINEDUM OKECHUKWU
203 OJO OLUFEMI EBENEZER
204 OJOBO FAVOUR
205 OKAREME RICHARD OMAMUZO
206 OKHIGBOCHIE E. DONATUS
207 OKOROH ROSE ORITSEWEYNMI
208 OKOYE CHIKE
209 OLADEJI OLANREWAJU TOBA
210 OLADEJO TUNDE BAMIDELE
211 OLADUNJOYE GEORGE ABAYOMI
212 OLAGBAJU PATRICIA ADEJOKE K.
213 OLUWO FASHOLA OLADIPUPO
214 OMAGHOMI JULIET MARTHA
215 ONABANJO ALEXANDER
216 ONAFOWOKAN A. ADERONKE
217 OYETOLA TITUS
218 OYEWOLE GEORGE
219 SALIHU ABRAHAM
220 SAMUEL ADEDOYIN OWOLABI
221 SOLOMON IDONGESIT AND INEMESIT
222 UKWATAR KARI IYETOR
223 UMARU MICHAEL
224 UMEUGOJI NNEKA CHINENYE
225 UMOH UBONG OKON
226 UMOH UNYIME LEONARD

CORNERSTONE INSURANCE PLC SHARE CAPITAL HISTORY

Date	Authorized Share Capital Value(N)	Shares	Issued & Fully Paid Value (N)	Shares	Consideration
1991	5,000,000	5,000,000	5,000,000	5,000,000	Private Placement
1992	10,000,000	10,000,000	10,000,000	10,000,000	Rights Issue
1993	10,000,000	10,000,000	10,000,000	10,000,000	-
1994	20,000,000	20,000,000	10,000,000	10,000,000	Rights Issue
1995	30,000,000	60,000,000	25,000,000	50,000,000	Bonus
1996	50,000,000	100,000,000	37,500,000	75,000,000	Bonus
1997	100,000,000	200,000,000	70,000,000	140,000,000	Private Placement
1998	100,000,000	200,000,000	70,000,000	140,000,000	Private Placement
1999	100,000,000	350,000,000	100,000,000	200,000,000	Bonus
2000	175,000,000	350,000,000	175,000,000	350,000,000	Rights Public Offer
2001	175,000,000	350,000,000	175,000,000	350,000,000	-
2002	400,000,000	800,000,000	210,000,000	420,000,000	Bonus
2003	750,000,000	1,500,000,000	378,000,000	756,000,000	Bonus
2004	750,000,000	1,500,000,000	557,768,000	1,115,536,000	Rights Offer
2005	3,000,000,000	6,000,000,000	982,274,000	1,964,548,000	Bonus
2006	3,000,000,000	6,000,000,000	2,160,903,000	4,321,806,000	Public Offer
2007	5,000,000,000	10,000,000,000	4,410,005,181.50	8,820,010,363	Placing
2008	5,000,000,000	10,000,000,000	4,410,005,181.50	8,820,010,363	-
2009	5,000,000,000	10,000,000,000	4,410,005,181.50	8,820,010,363	-
2010	5,000,000,000	10,000,000,000	4,410,005,181.50	8,820,010,363	-
2011	5,000,000,000	10,000,000,000	4,410,005,181.50	8,820,010,363	-
2012	5,000,000,000	10,000,000,000	4,410,005,181.50	8,820,010,363	-
2013	5,000,000,000	10,000,000,000	4,410,005,181.50	8,820,010,363	-
2014	5,000,000,000	10,000,000,000	4,410,005,181.50	8,820,010,363	-
2015	5,000,000,000	10,000,000,000	4,410,005,181.50	8,820,010,363	-
2016	7,500,000,000	15,000,000,000	7,364,753,807.50	14,729,507,615	-
2017	7,500,000,000	15,000,000,000	7,364,753,807.50	14,729,507,615	-
2018	7,500,000,000	15,000,000,000	7,364,753,807.50	14,729,507,615	-
2019	7,500,000,000	15,000,000,000	7,364,753,807.50	14,729,507,615	-
2020	9,250,000,000	18,500,000,000	9,083,196,362.50	18,166,392,725	Bonus

CORNERSTONE INSURANCE PLC DIVIDEND HISTORY

YEAR	NET PROFIT (N)	DIVIDEND (N)	DIVIDEND PER SHARE (K)
1991	242,728		
1992	6,543,999	400,000	4
1993	4,544,267	2,500,000	25
1994	8,050,610	2,500,000	25
1995	15,056,000	7,500,000	15
1996	27,754,000		-
1997	29,742,000	21,000,000	15
1998	36,815,000	14,000,000	10
1999	38,705,000	30,000,000	15
2000	53,726,000	52,500,000	15
2001	120,387,000	59,500,000	17
2002	82,865,000	42,000,000	10
2003	126,227,000	52,500,000	12.5
2004	170,430,000	145,020,000	13
2005	205,790,000	98,227,000	5
2006	197,481,000	172,872,000	4
2007	389,037,000	264,221,000	3
2008	339,288,000	-	-
2009	377,727,000	-	-
2010	218,195,000	-	-
2011	156,344,000	-	-
2012	510,402,000	-	-
2013	860,363,000	-	-
2014	946,482,000	-	-
2015	535,513,000	176,400,000	2
2016	(1,516,213)	-	-
2017	(2,801,173)	-	-
2018	1,288,738,000	-	-
2019	2,937,223,000	-	-
2020	1,774,919	-	-



Cornerstone
The future. Assured

PROXY FORM

The 29th Annual General Meeting of Cornerstone Insurance PLC will hold at the Agip Recital Foyer, MUSON Centre, Onikan, Lagos at 1:00pm on Tuesday, 27th July 2021.

I/We,
.....of
..... being member(s)
of CORNERSTONE INSURANCE PLC, hereby
appoint either of the following individuals as
my/our Proxy to attend and vote for me/us and
on my/our behalf at the 29th Annual General
Meeting of the Company to be held on Tuesday,
27th July 2021 or any adjournment thereof:

Name of Proxy	Tick (X) against the name of the individual you are appointing
Dr. Anthony Omoniyi Omojola	
Mr. Matthew Akinlade	
Chief Timothy Adesiyon	
Mr. Gafar Erifolanmi	
Mr. Awoh Nonah	
Mr. Henry Olayemi	
Mr. Adeleke Oladimeji	
Mr. Chibuzor Eke	
Mr. Steve Iwenjora	

Dated this _____ day of _____ 2021

Shareholder's Signature _____

Notes

- A member is entitled to attend and vote at the Annual General Meeting of the Company. He is also entitled to appoint a proxy to attend and vote in his stead, and in this case, this Form may be used to appoint a proxy.
- All executed Proxy Forms must be emailed to either the Company Secretary, PAC Solicitors, via chidionwubere@pacsolicitors.com and ifeoluwaagbosi@pacsolicitors.com, or the Registrars, Lighthouse Registrars Limited, via lighthouseregistrars@lighthouse.com.ng; or sent to office of the Company Secretary, 16, Kofo Abayomi Street, Victoria Island, Lagos or the office of the Registrars, 2nd Floor, 39, Adeola Odeku Street, Victoria Island, Lagos, not later than one (1) week before the date of the AGM
- If a member is a corporate entity, this Form should be sealed under the corporate entity's common seal or under the hand of an officer duly authorized.
- Under the Stamp Duties Act, CAP S8. Laws of the Federation of Nigeria, 2004, any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear a stamp duty. The Company will bear the cost of stamp duties on the instruments of proxy.

S/N	ORDINARY BUSINESS/ORDINARY RESOLUTION	FOR	AGAINST
1.	To receive the 2020 Audited Financial Statements and Annual Reports		
2.	To elect Dr. Ogechi Adeola		
3.	To re-elect Mr. Ganiyu Musa		
4.	To re-elect Mr. Ekwunife Okoli		
5.	To re-elect Mr. Chidiebere Nwokeocha		
6.	To appoint External Auditor		
7.	To authorize Directors to fix the remuneration of the Auditors		
8.	To disclose the remuneration of Managers		
9.	To elect shareholders' representatives to the Audit Committee		
S/N	SPECIAL BUSINESS/ORDINARY RESOLUTION		
1.	That in compliance with the rules of the Nigerian Exchange Limited governing transactions with related parties or interested parties, the General Mandate given to the Company to enter recurrent transactions with related parties for the Company's day-to-day operations, including the procurement of goods and services, on normal commercial terms be and is hereby renewed.		

Please indicate with X in the appropriate box, how you wish for your votes to be cast on the resolutions set out above.

Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

Before posting the above Form, please tear off this part and retain it for admission to the meeting

ADMISSION CARD TO THE 29TH ANNUAL GENERAL MEETING OF CORNERSTONE INSURANCE PLC

To hold at the Agip Recital Foyer, MUSON Centre, Onikan, Lagos on Tuesday, 27th July 2021 at 1:00pm.

Name of Shareholder _____

Signature of Shareholder _____

Name of Proxy _____

Signature of Proxy _____



Cornerstone
The future. Assured
(RC 163170)

AFFIX PIX
HERE PLS

REGISTRARS

Lighthouse Registrars Limited,
2nd Floor, 39, Adeola Odeku Street, Victoria Island, Lagos.

Affix Current
Passport

Write your name at the
back of your passport
photograph



E-DIVIDEND ACTIVATION FORM

***This service costs N150.00 per
approved mandate per company***

Only Clearing Banks are Acceptable

Instruction

Please complete all section of this form to make it eligible
For processing and return to the address below

The Registrar,

Lighthouse Registrars Limited
2nd Floor, 39, Adeola Odeku Street, Victoria Island,
P.O.Box 60276 Lagos, Nigeria.

I/We hereby request that henceforth, all my/our dividend
payments due to me/us from holdings in Lighthouse Financial
Services Plc be credited to my/our bank detailed below.

TICK	NAME OF COMPANY	SHAREHOLDER ACCOUNT NO
	CORNERSTONE INSURANCE PLC	

Bank Verification Number

Bank Name

Bank Branch and Address

Bank Account Number

Account Opening Date

Account Type (tick) Current ☐

Savings ☐

Shareholder Account Information

Surname First Name Other Name

Clearing House No

Address:

City State Country

Previous Address (if any)

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company's Seal (if applicable) Joint Company's Signatories

Help Desk Telephone Number/Contact Centre for Issue Resolution or Clarification: 01-271 8910

Lighthouse Registrars Limited

Website: www.lighthousecapital.ng Email: info.reg@lighthousecapital.ng



Cornerstone
The future. Assured



Life Insurance

Life Happens...
Protect your loved ones

Get the Cornerstone
Insurance Mobile App
on your Smartphone



NAICOM/CC/ADV/2021/4327

Call us
01 280 6500 | 0700CORNERSTONE

CORPORATE OFFICE
21, Water Corporation Drive,
Off Ligali Ayorinde Street,
Victoria Island, Lagos

enquiries@cornerstone.com.ng
www.cornerstone.com.ng

Call Us

01 280 6500 | 0700CORNERSTONE

CORPORATE OFFICE

21, Water Corporation Drive
Off Ligali Ayorinde Street
Victoria Island, Lagos

enquiries@cornerstone.com.ng
www.cornerstone.com.ng

Get the Cornerstone
Insurance Mobile App
on your Smartphone

